003

Inland
PRODUCTION COMPANY
A Subsidiary of Inland Resources Inc.

March 19, 2004

State of Utah
Division of Oil, Gas & Mining
Attn: Diana Whitney
1594 West North Temple - Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Applications for Permit to Drill: Federal 1-18-9-18, 3-18-9-18, 5-18-9-18, 9-18-9-18, 11-18-9-18, 13-18-9-18, and 15-18-9-18.

Dear Diana:

Enclosed find APD's on the above referenced wells. If you have any questions, feel free to give either Brad or myself a call.

Sincerely,

Mandie Crozier
Regulatory Specialist

mc
enclosures

RECEIVED
MAR 22 2004
DIV. OF OIL, GAS & MINING

001

Form 3160-3
(September 2001)

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: U-39714

6. If Indian, Allottee or Tribe Name: N/A

1a. Type of Work: [X] DRILL [ ] REENTER

7. If Unit or CA Agreement, Name and No.: Eight mile

1b. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other [X] Single Zone [ ] Multiple Zone

8. Lease Name and Well No.: Federal 3-18-9-18

2. Name of Operator: Inland Production Company

9. API Well No.: 43-047-35581

3a. Address: Route #3 Box 3630, Myton UT 84052

3b. Phone No. *(include area code)*: (435) 646-3721

10. Field and Pool, or Exploratory: Eight Mile Flat

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface NE/NW 660' FNL 1980' FWL 4432115Y 40.03629
At proposed prod. zone 590619X -109.93786

11. Sec., T., R., M., or Blk. and Survey or Area: NE/NW Sec. 18, T9S R18E

14. Distance in miles and direction from nearest town or post office*: Approximatley 17.6 miles southeast of Myton, Utah

12. County or Parish: Uintah

13. State: UT

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) Approx. 660 f/lse, NA f/unit

16. No. of Acres in lease: 1,717.32

17. Spacing Unit dedicated to this well: 40 Acres

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Approx. 2640'

19. Proposed Depth: 6500'

20. BLM/BIA Bond No. on file: #4488944

21. Elevations (Show whether DF, KDB, RT, GL, etc.): 5090' GL

22. Approximate date work will start*: 3rd Quarter 2004

23. Estimated duration: Approximately seven (7) days from spud to rig release.

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature: Mandie Crozier — Name *(Printed/Typed)*: Mandie Crozier — Date: 3/19/04

Title: Regulatory Specialist

Approved by *(Signature)*: — Name *(Printed/Typed)*: BRADLEY G. HILL — Date: 03-23-04

Title: ENVIRONMENTAL SCIENTIST III

Federal Approval of this Action is Necessary

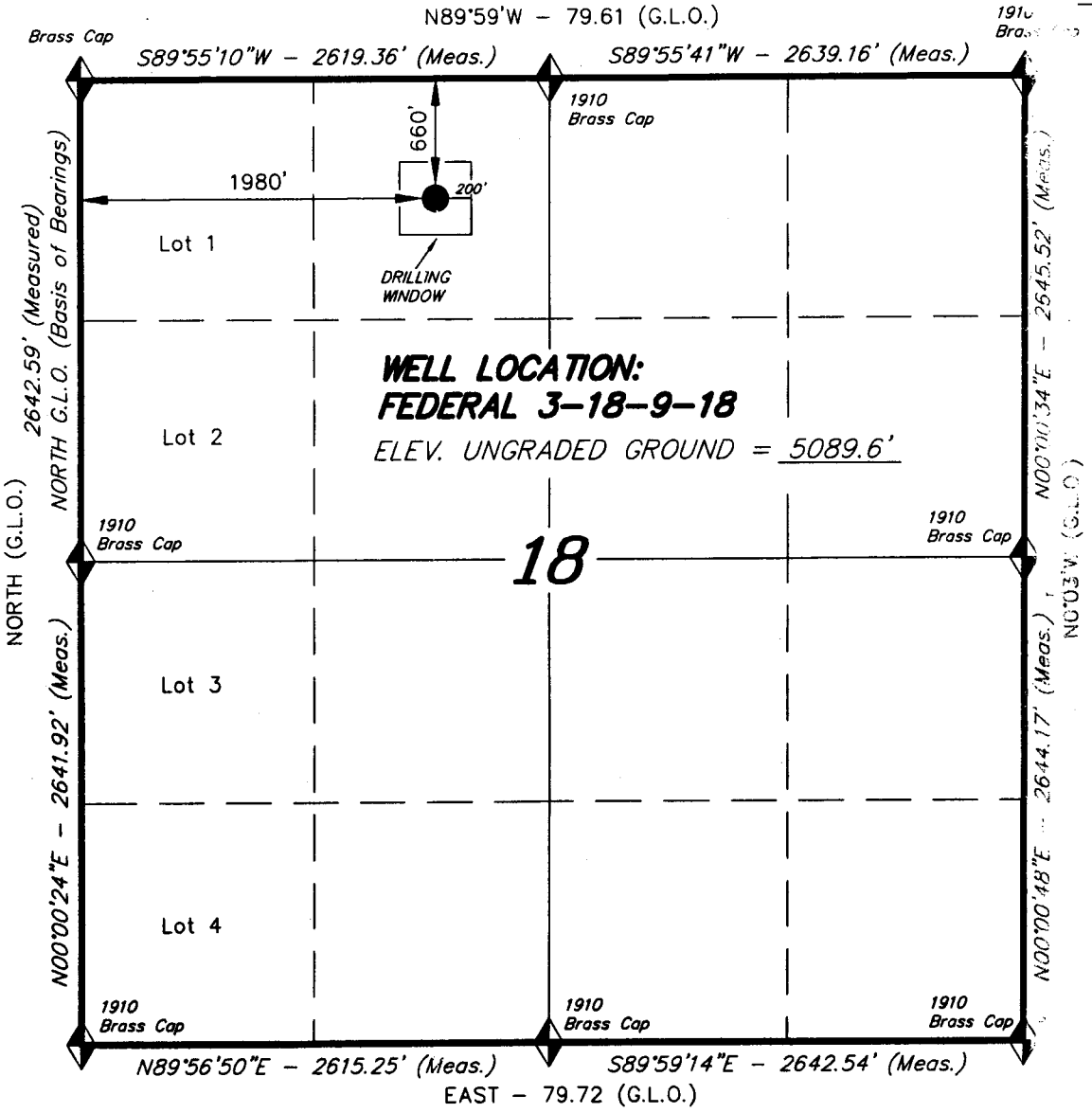
Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**(Instructions on reverse)*

RECEIVED
MAR 2 2 2004
DIV. OF OIL, GAS & MINING

T9S, R18E, S.L.B.&M.



◆ = SECTION CORNERS LOCATED

BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (PARIETTE DRAW SW)

INLAND PRODUCTION COMPANY

WELL LOCATION, FEDERAL 3-18-9-18, LOCATED AS SHOWN IN THE NE 1/4 NW 1/4 OF SECTION 18, T9S, R18E, S.L.B.&M. UINTAH COUNTY, UTAH.

N

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REG. No. 189377
STATE OF UTAH

STACY W. STEWART
REGISTERED LAND SURVEYOR
REGISTRATION No. 189377
STATE OF UTAH

TRI STATE LAND SURVEYING & CONSULTING
180 NORTH VERNAL AVE. - VERNAL, UTAH 84078
(435) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: D.J.S.
DATE: 10-16-03	DRAWN BY: J.R.S.
NOTES:	FILE #

INLAND PRODUCTION COMPANY
FEDERAL #3-18-9-18
NE/NW SECTION 18, T9S, R18E
UINTAH COUNTY, UTAH

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. ***GEOLOGIC SURFACE FORMATION:***

Uinta formation of Upper Eocene Age

2. ***ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:***

Uinta	0' – 1640'
Green River	1640'
Wasatch	5700'

3. ***ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:***

Green River Formation 1640' – 6500' - Oil

4. ***PROPOSED CASING PROGRAM***

Please refer to the Monument Butte Field Standard Operation Procedure (SOP).

5. ***MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:***

Please refer to the Monument Butte Field SOP. See Exhibit "C".

6. ***TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:***

Please refer to the Monument Butte Field SOP.

7. ***AUXILIARY SAFETY EQUIPMENT TO BE USED:***

Please refer to the Monument Butte Field SOP.

8. ***TESTING, LOGGING AND CORING PROGRAMS:***

Please refer to the Monument Butte Field SOP.

9. ***ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:***

The anticipated maximum bottom hole pressure is 2000 psi. It is not anticipated that abnormal temperatures will be encountered.

10. ***ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:***

Please refer to the Monument Butte Field SOP.

INLAND PRODUCTION COMPANY
FEDERAL #3-18-9-18
NE/NW SECTION 18, T9S, R18E
UINTAH COUNTY, UTAH

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. *EXISTING ROADS*

See attached Topographic Map "A"

To reach Inland Production Company well location site Federal #3-18-9-18 located in the NE 1/4 NW 1/4 Section 18, T9S, R18E, Uintah County, Utah:

Proceed southwesterly out of Myton, Utah along Highway 40 - 1.6 miles ± to the junction of this highway and UT State Hwy 53; proceed southeasterly along Hwy 53 – 11.7 miles ± to it's junction with an existing road to the southeast; proceed southeasterly – 3.6 miles ± to it's junction with an existing road to the east; proceed northeasterly – 0.4 miles ± to it's junction with an existing road to the southeast; proceed southeasterly – 0.3 miles ± to it's junction with the beginning of the proposed access road; proceed easterly along the proposed access road – 1,225' ± to the proposed well location.

2. *PLANNED ACCESS ROAD*

See Topographic Map "B" for the location of the proposed access road.

3. *LOCATION OF EXISTING WELLS*

Refer to Exhibit "B".

4. *LOCATION OF EXISTING AND/OR PROPOSED FACILITIES*

Please refer to the Monument Butte Field Standard Operating Procedure (SOP).

5. *LOCATION AND TYPE OF WATER SUPPLY*

Please refer to the Monument Butte Field SOP. See Exhibit "A".

6. *SOURCE OF CONSTRUCTION MATERIALS*

Please refer to the Monument Butte Field SOP.

7. *METHODS FOR HANDLING WASTE DISPOSAL*

Please refer to the Monument Butte Field SOP.

8. *ANCILLARY FACILITIES*

Please refer to the Monument Butte Field SOP.

9. ***WELL SITE LAYOUT***

See attached Location Layout Diagram.

10. ***PLANS FOR RESTORATION OF SURFACE***

Please refer to the Monument Butte Field SOP.

11. ***SURFACE OWNERSHIP*** - Bureau Of Land Management

12. ***OTHER ADDITIONAL INFORMATION***

The Archaeological Resource Survey and Paleontological Resource Survey for this area are attached. MOAC Report #03-82, 1/12/04. Paleontological Resource Survey prepared by, Wade E. Miller, 7/28/03. See attached report cover pages, Exhibit "D".

Inland Production Company requests a 50' ROW for the Federal #3-18-9-18 to allow for construction of a 6" gas gathering line, and a 3" poly fuel gas line. Both lines will tie in to the existing pipeline infrastructure. **Refer to Topographic Map "C."** For a ROW plan of development, please refer to the Monument Butte Field SOP.

Inland Production Company also requests a 50' ROW be granted for the Federal #3-18-9-18 to allow for construction of a 3" steel water injection line and a 3" poly water return line. **Refer to Topographic Map "C."** For a ROW plan of development, please refer to the Monument Butte Field SOP.

Water Disposal
Immediately upon first production, all produced water will be confined to a steel storage tank. If the production water meets quality guidelines, it is transported to the Ashley, Monument Butte, Jonah, and Beluga water injection facilities by company or contract trucks. Subsequently, the produced water is injected into approved Class II wells to enhance Inland's secondary recovery project.

Water not meeting quality criteria, is disposed at Inland's Pariette #4 disposal well (Sec. 7, T9S R19E) or at State of Utah approved surface disposal facilities.

Reserve Pit Liner
Please refer to the Monument Butte Field SOP.

Location and Reserve Pit Reclamation
Please refer to the Monument Butte Field SOP.

The following seed mixture will be used on the topsoil stockpile, to the recontoured surface of the reserve pit, and for final reclamation: (All poundages are in pure live seed)

Shadscale	*Atriplex confertifolia*	4 lbs/acre
Scarlet globmallow	*Sphaeralcea conccinea*	4 lbs/acre
Galleta grass	*Hilaria jamesii*	4 lbs/acre

Details of the On-Site Inspection

The proposed Federal #3-18-9-18 was on-sited on 7/23/03. The following were present; Brad Mecham (Inland Production), Byron Tolman (Bureau of Land Management), and SWCA representatives. Weather conditions were clear @ 80 degrees.

13. *LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION*

Representative

Name: Brad Mecham

Address: Route #3 Box 3630
Myton, UT 84052

Telephone: (435) 646-3721

Certification

Please be advised that INLAND PRODUCTION COMPANY is considered to be the operator of well #3-18-9-18 NE/NW Section 18, Township 9S, Range 18E: Lease U-39714 Uintah County, Utah: and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Hartford Accident #4488944.

I hereby certify that the proposed drillsite and access route have been inspected, and I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and that the work associated with the operations proposed here will be performed by Inland Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

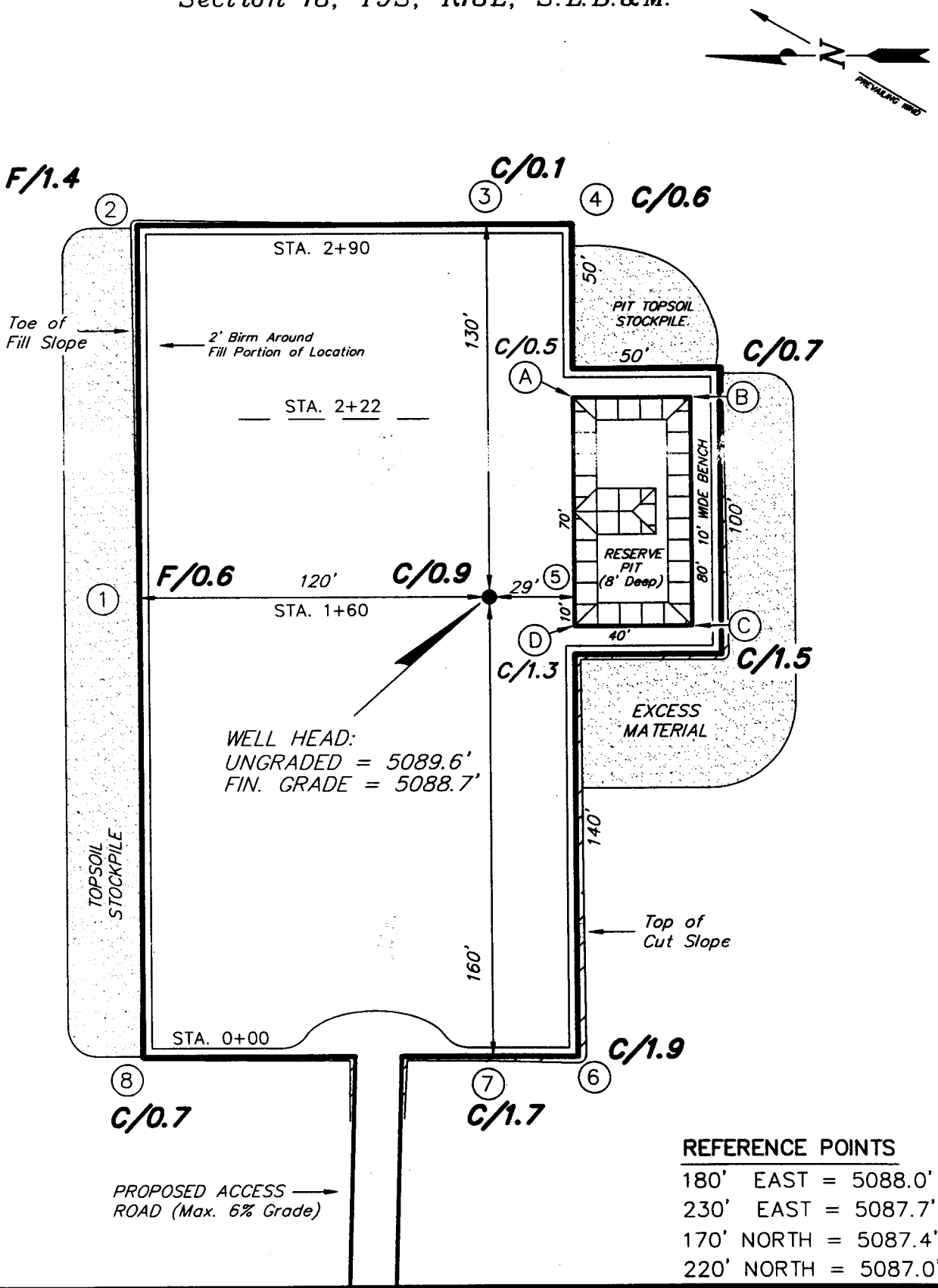
3/19/04
Date

Mandie Crozier
Regulatory Specialist

INLAND PRODUCTION COMPANY

FEDERAL 3-18-9-18

Section 18, T9S, R18E, S.L.B.&M.



REFERENCE POINTS

180' EAST = 5088.0'
230' EAST = 5087.7'
170' NORTH = 5087.4'
220' NORTH = 5087.0'

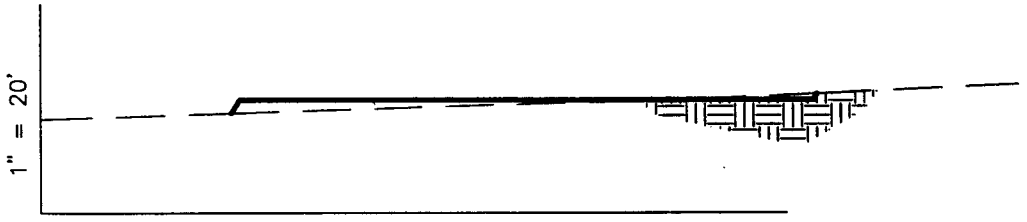
SURVEYED BY:	D.J.S.	SCALE:	1" = 50'
DRAWN BY:	J.R.S.	DATE:	10-16-03

Tri State Land Surveying, Inc. (435) 781-2501
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

INLAND PRODUCTION COMPANY

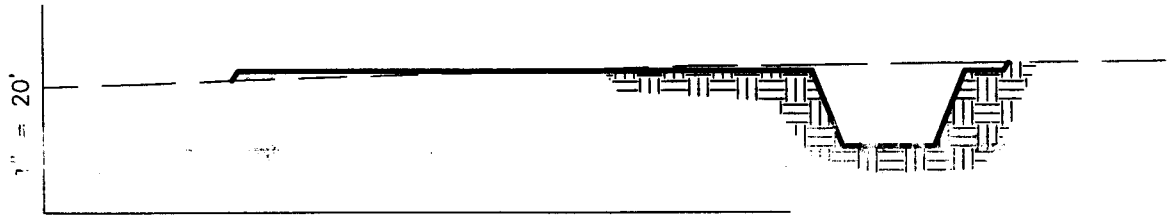
CROSS SECTIONS

FEDERAL 3-18-9-18



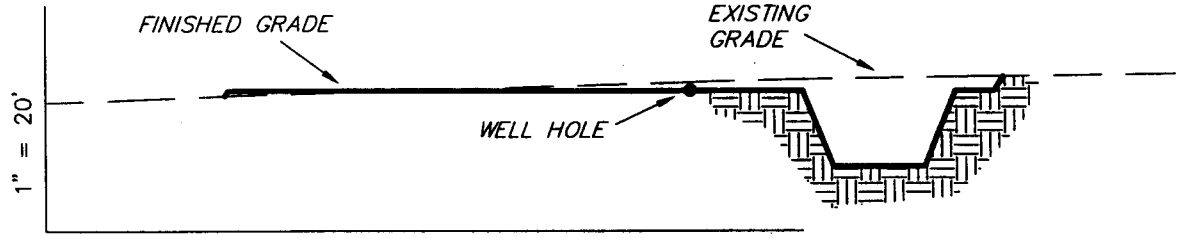
1" = 50'

STA. 2+90



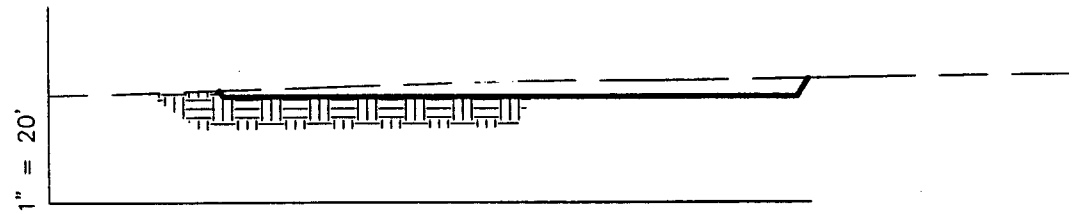
1" = 50'

STA. 2+22



1" = 50'

STA. 1+60



1" = 50'

STA. 0+00

NOTE:
UNLESS OTHERWISE NOTED
ALL CUT/FILL SLOPES ARE
AT 1.5:1

ESTIMATED EARTHWORK QUANTITIES
(No Shrink or swell adjustments have been used)
(Expressed in Cubic Yards)

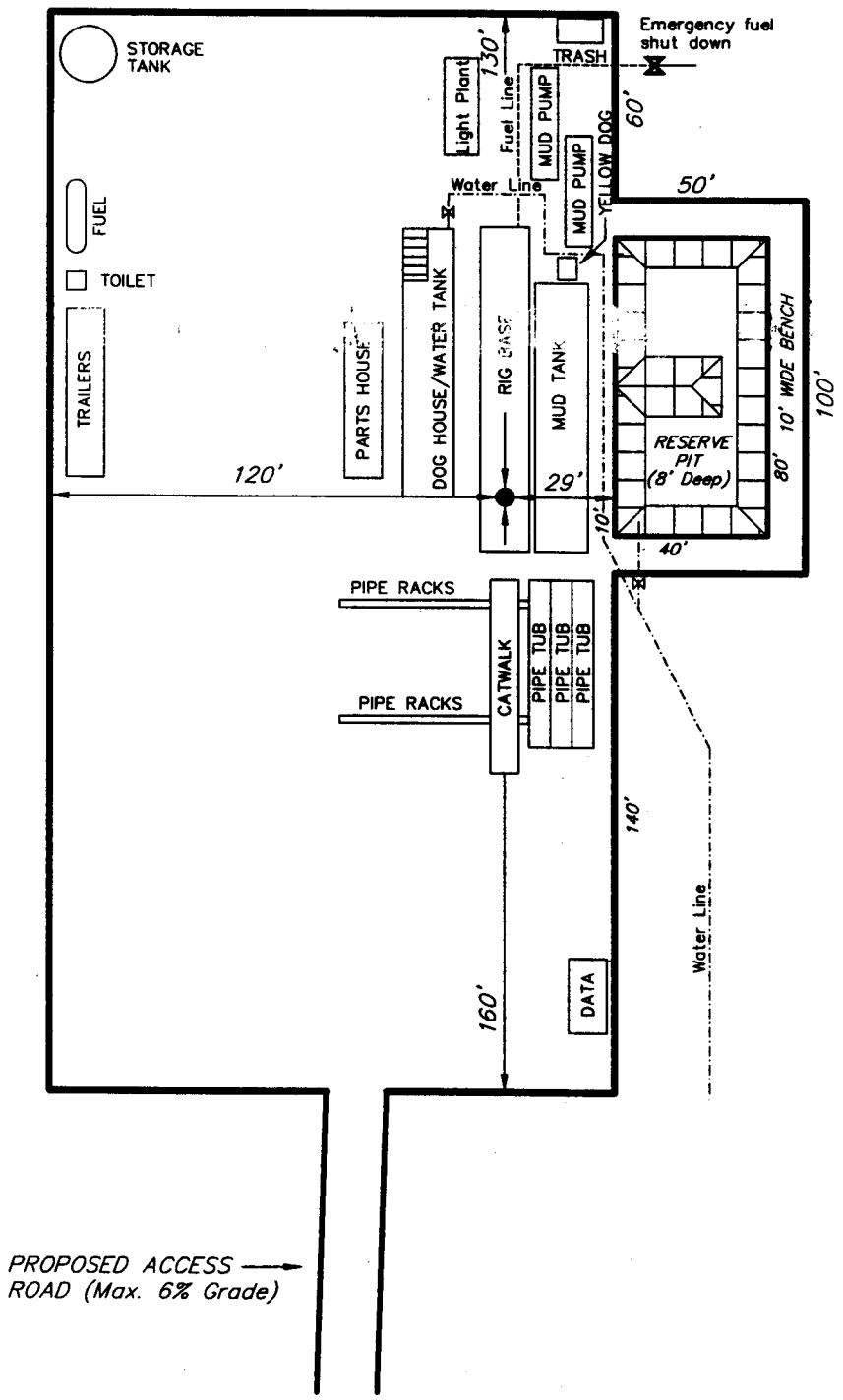
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	540	540	Topsoil is not included in Pad Cut	0
PIT	640	0		640
TOTALS	1,180	540	890	640

SURVEYED BY: D.J.S.	SCALE: 1" = 50'	Tri State Land Surveying, Inc.	(435) 781-2501
DRAWN BY: J.R.S.	DATE: 10-16-03	180 NORTH VERNAL AVE. VERNAL, UTAH 84078	

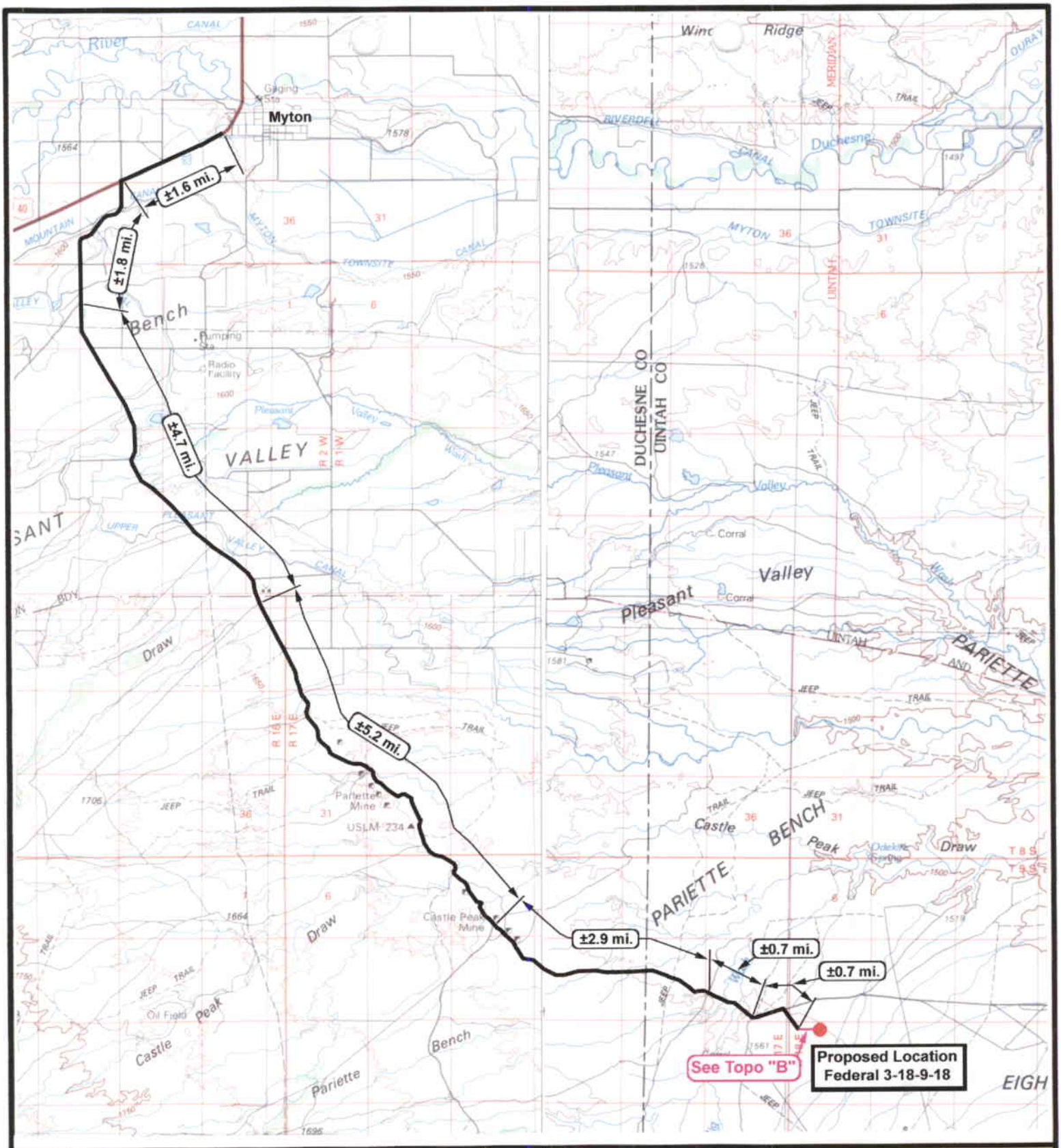
INLAND PRODUCTION COMPANY

TYPICAL RIG LAYOUT

FEDERAL 3-18-9-18



SURVEYED BY: D.J.S.	SCALE: 1" = 50'	Tri State Land Surveying, Inc.	(435) 781-2501
DRAWN BY: J.R.S.	DATE: 10-16-03	180 NORTH VERNAL AVE. VERNAL, UTAH 84078	



Inland RESOURCES INC.

Federal 3-18-9-18
SEC. 18, T9S, R18E, S.L.B.&M.

N

Tri-State Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE:	1 = 100,000
DRAWN BY:	L.C.S.
DATE:	09-11-2003

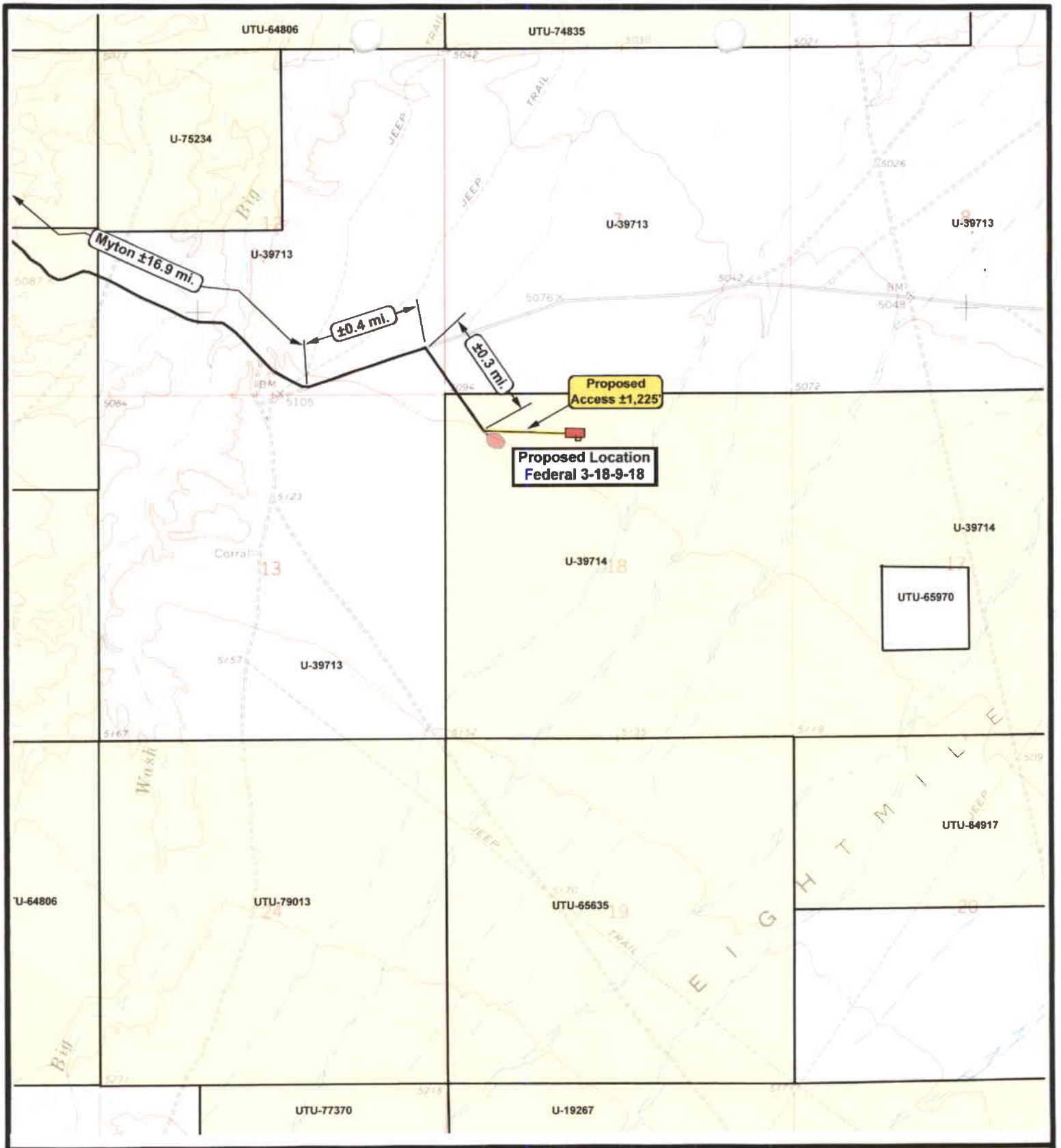
Legend

Existing Road

Proposed Access

TOPOGRAPHIC MAP

"A"



Inland RESOURCES INC.

Federal 3-18-9-18
SEC. 18, T9S, R18E, S.L.B.&M.

N

Tri-State Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: L.C.S.
DATE: 09-12-2003

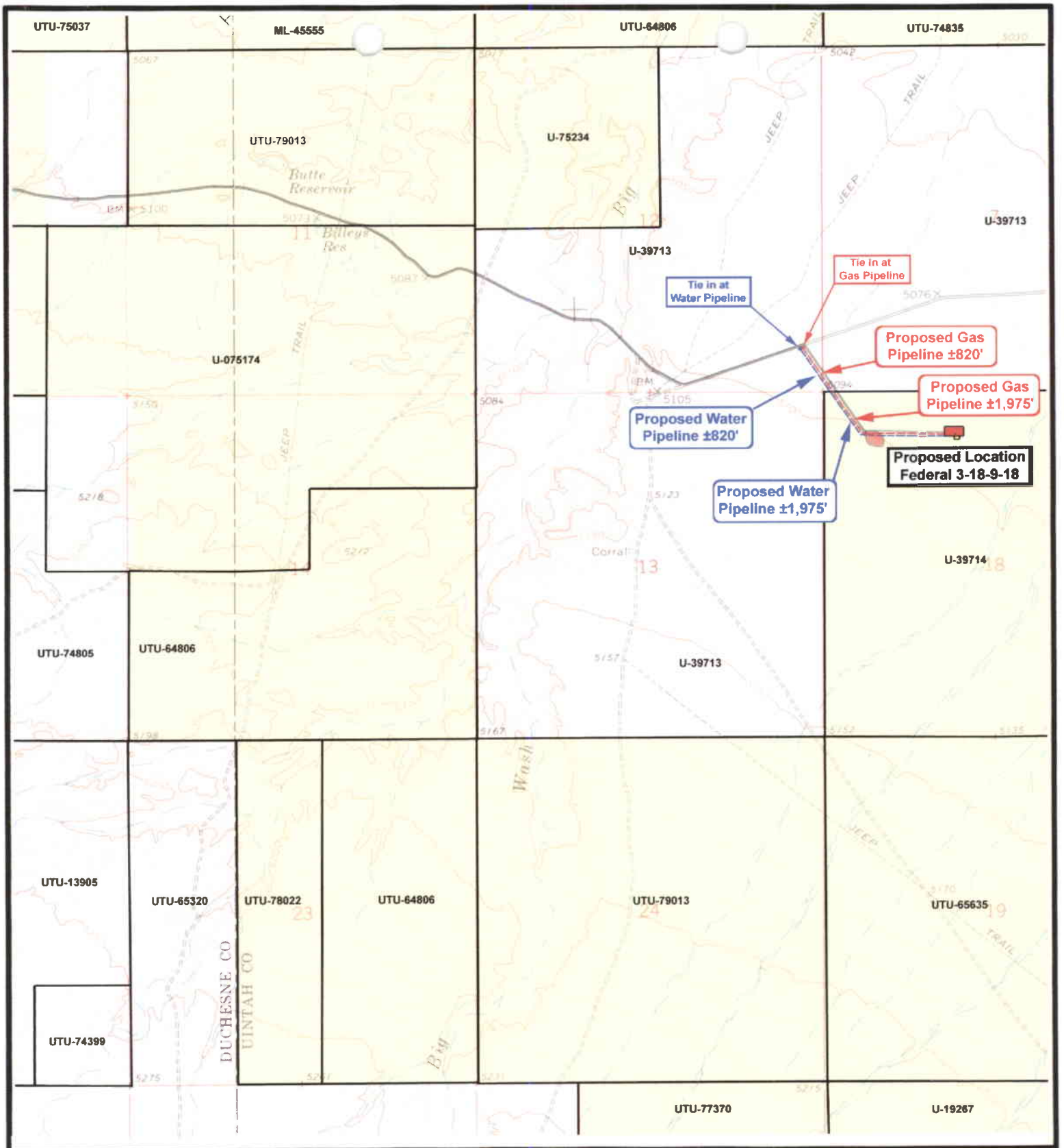
Legend

Existing Road

Proposed Access

TOPOGRAPHIC MAP

"B"



Inland RESOURCES INC.

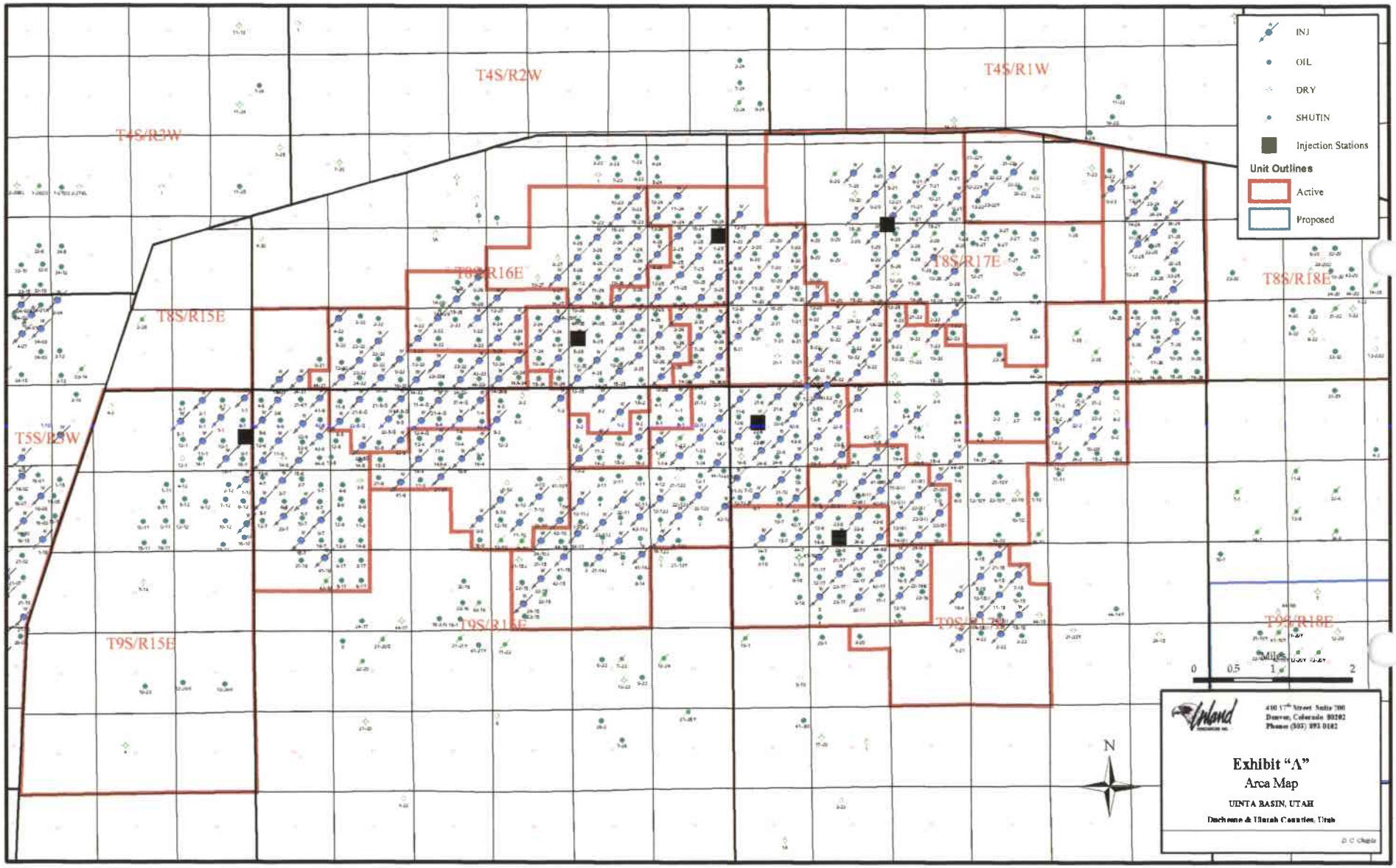
Federal 3-18-9-18
SEC. 18, T9S, R18E, S.L.B.&M.

N

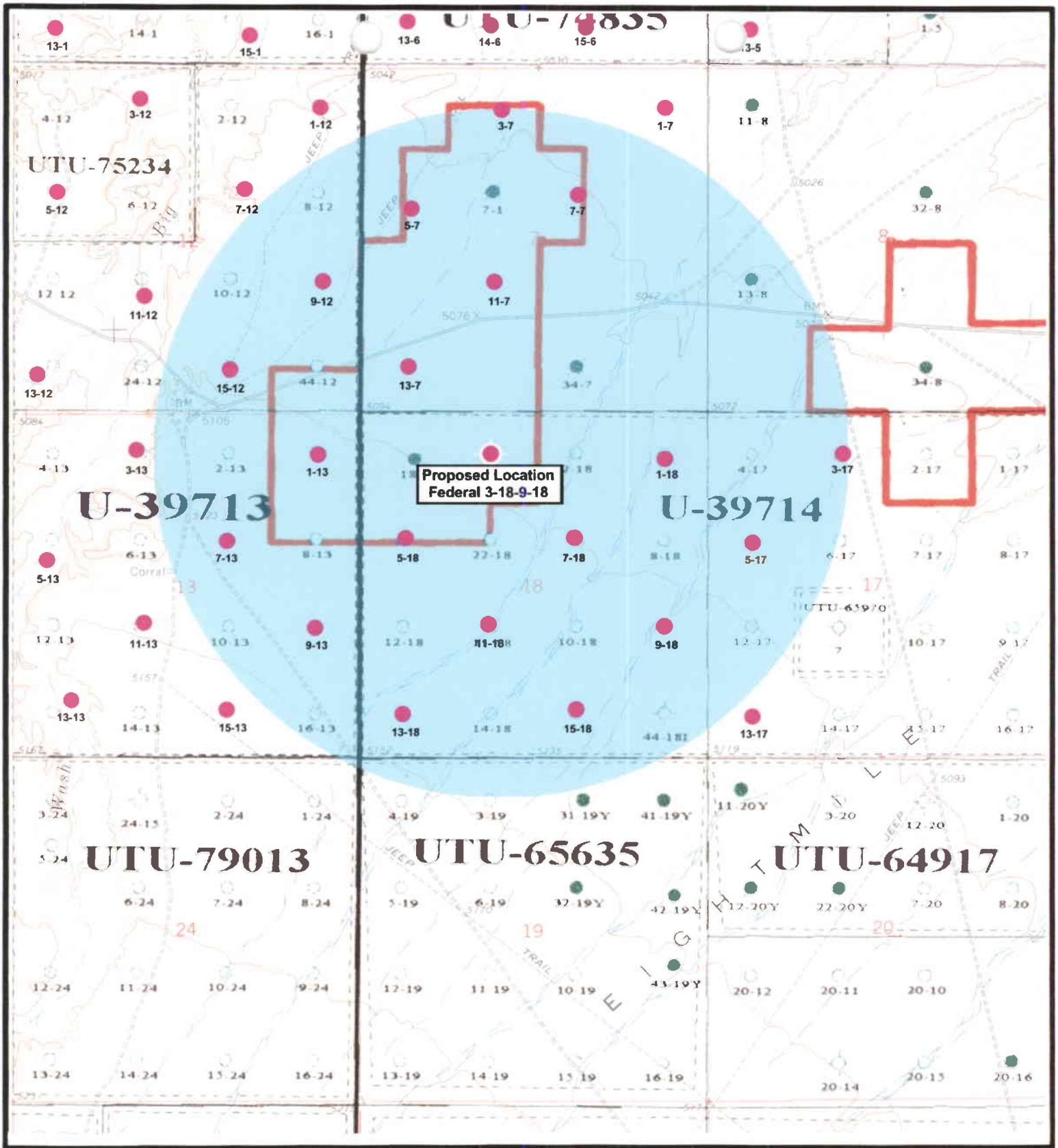
Tri-State Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: L.C.S.
DATE: 09-17-2003

TOPOGRAPHIC MAP
"C"



January 15, 2003



Inland RESOURCES INC.

Federal 3-18-9-18
SEC. 18, T9S, R18E, S.L.B.&M.

N

Tri-State Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: L.C.S.
DATE: 10-20-2003

Legend

- Well Locations
- One-Mile Radius

Exhibit "B"

2-M SYSTEM

Blowout Prevention Equipment Systems

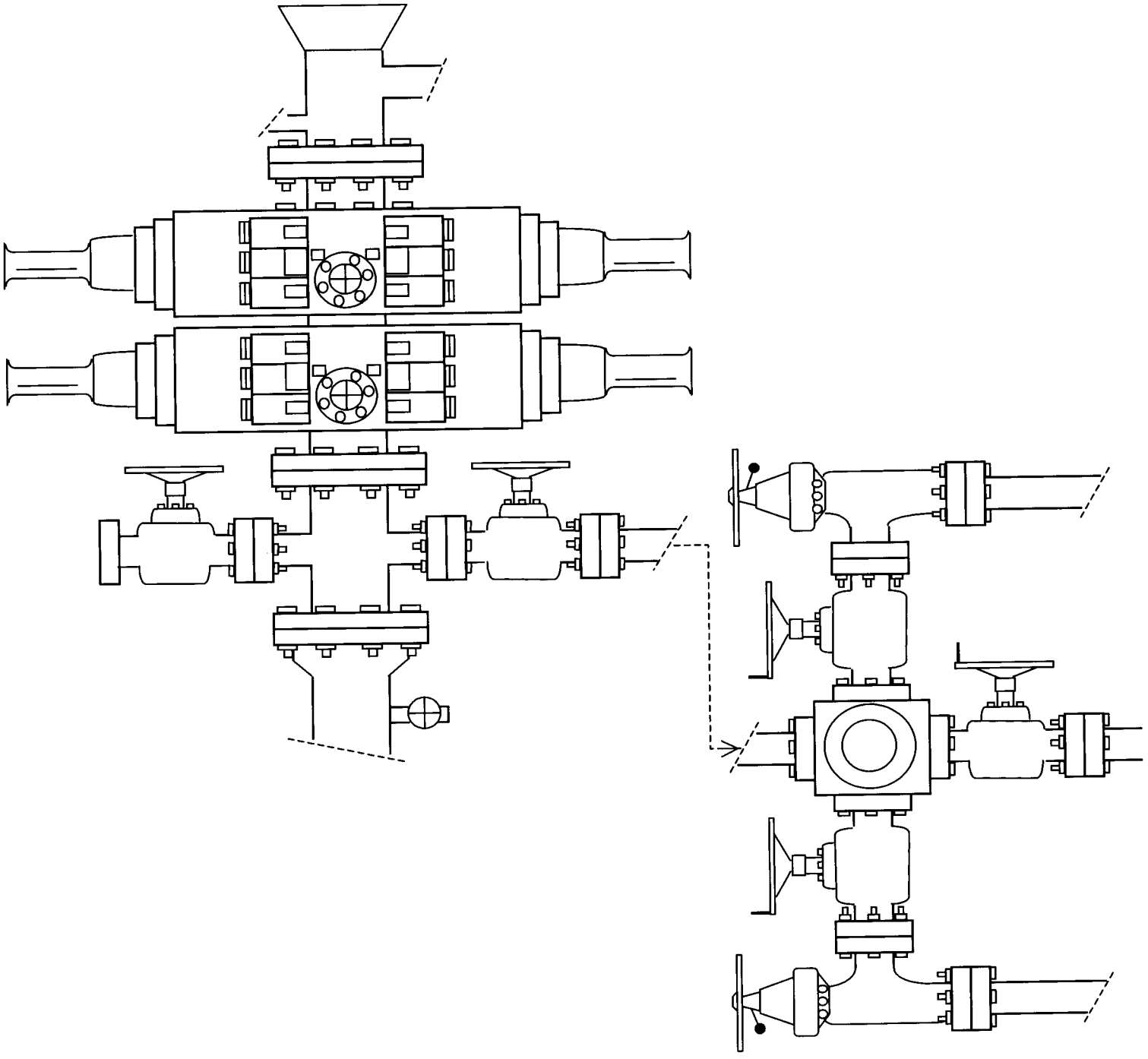


EXHIBIT C

Exhibit "D"
Page 1

CULTURAL RESOURCE INVENTORY OF INLAND PRODUCTIONS' PARCEL IN T 9 S, R17 E, SEC. 13, 14, 15, 23, & 24 AND T 9 S, R 18 E. SEC. 18 & 19, DUCHESNE AND UINTAH COUNTIES, UTAH

BY:

Katie Simon
and
Keith R. Montgomery

Prepared For:

Bureau of Land Management
Vernal Field Office

Prepared Under Contract With:

Inland Production
2507 Flintridge Place
Fort Collins, CO 80521

Prepared By:

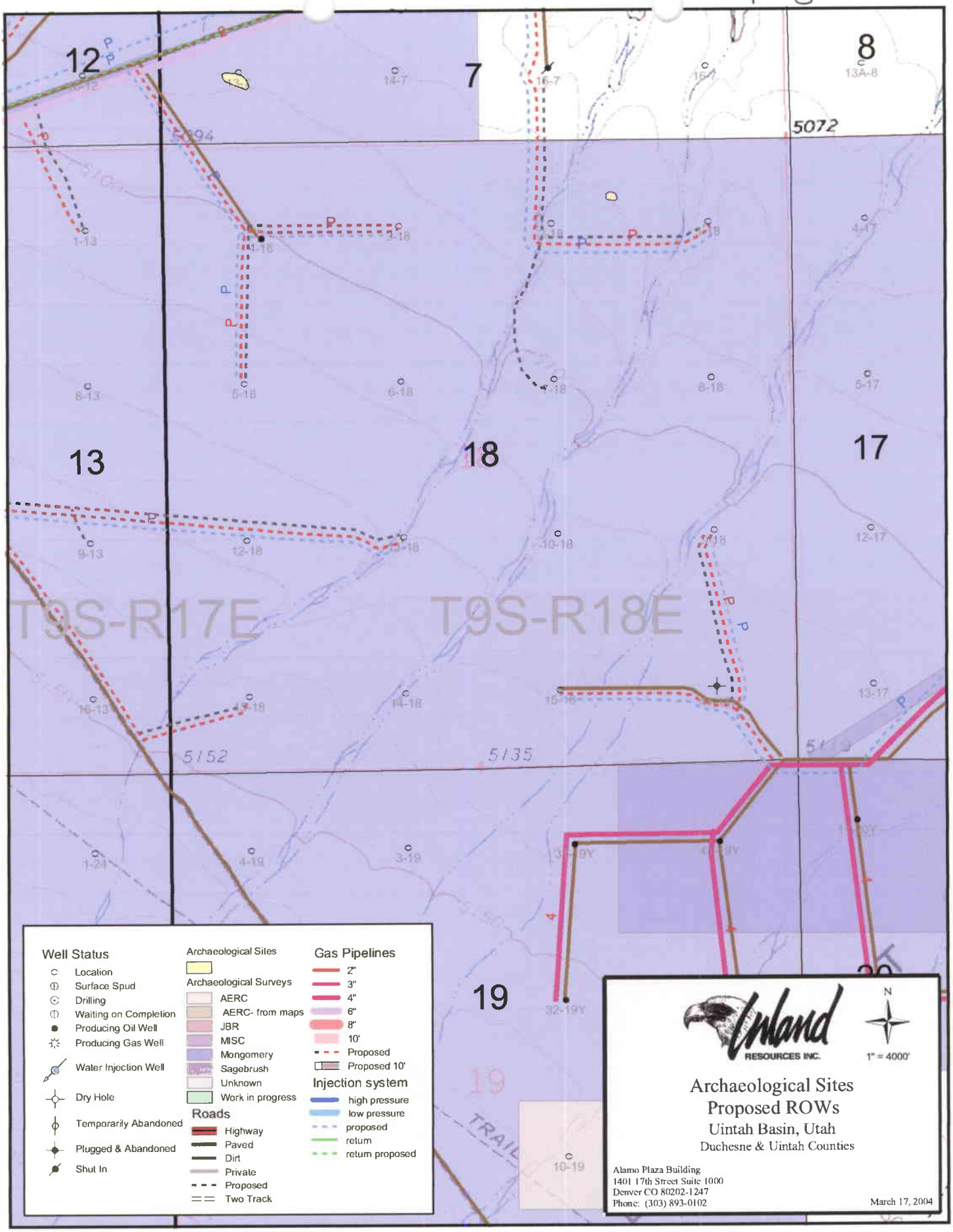
Montgomery Archaeological Consultants
P.O. Box 147
Moab, Utah 84532

MOAC Report No. 03-82

January 12, 2004

United States Department of Interior (FLPMA)
Permit No. 03-UT-60122

State of Utah Antiquities Project (Survey)
Permit No. U-03-MQ-0750b


12
7
8
13
18
17
19
T9S-R17E
T9S-R18E
5072
5152
5135
Well Status
Location
Surface Spud
Drilling
Waiting on Completion
Producing Oil Well
Producing Gas Well
Water Injection Well
Dry Hole
Temporarily Abandoned
Plugged & Abandoned
Shut In
Archaeological Sites
Archaeological Surveys
AERC
AERC- from maps
JBR
MISC
Mongomery
Sagebrush
Unknown
Work in progress
Roads
Highway
Paved
Dirt
Private
Proposed
Two Track
Gas Pipelines
2"
3"
4"
6"
8"
10'
Proposed
Proposed 10'
Injection system
high pressure
low pressure
proposed
return
return proposed
Inland
RESOURCES INC.
N
1" = 4000'
Archaeological Sites
Proposed ROWs
Uintah Basin, Utah
Duchesne & Uintah Counties
Alamo Plaza Building
1401 17th Street Suite 1000
Denver CO 80202-1247
Phone: (303) 893-0102
March 17, 2004

INLAND RESOURCES, INC.

PALEONTOLOGICAL FIELD SURVEY OF PROPOSED PRODUCTION DEVELOPMENT AREAS, DUCHESNE AND UINTAH COUNTIES, UTAH

(Section 35, T 8 S, R 17 E; Sections 13, 14, 23, 24, T 9 S, R 17 E; NE 1/4, NE 1/4, Section 15, T 9 S, R 17 E; Sections 18, 19, T 9 S, R 18 E; Sections 2, 3, 10 and western half of Section 11, T 9 S, R 15 E)

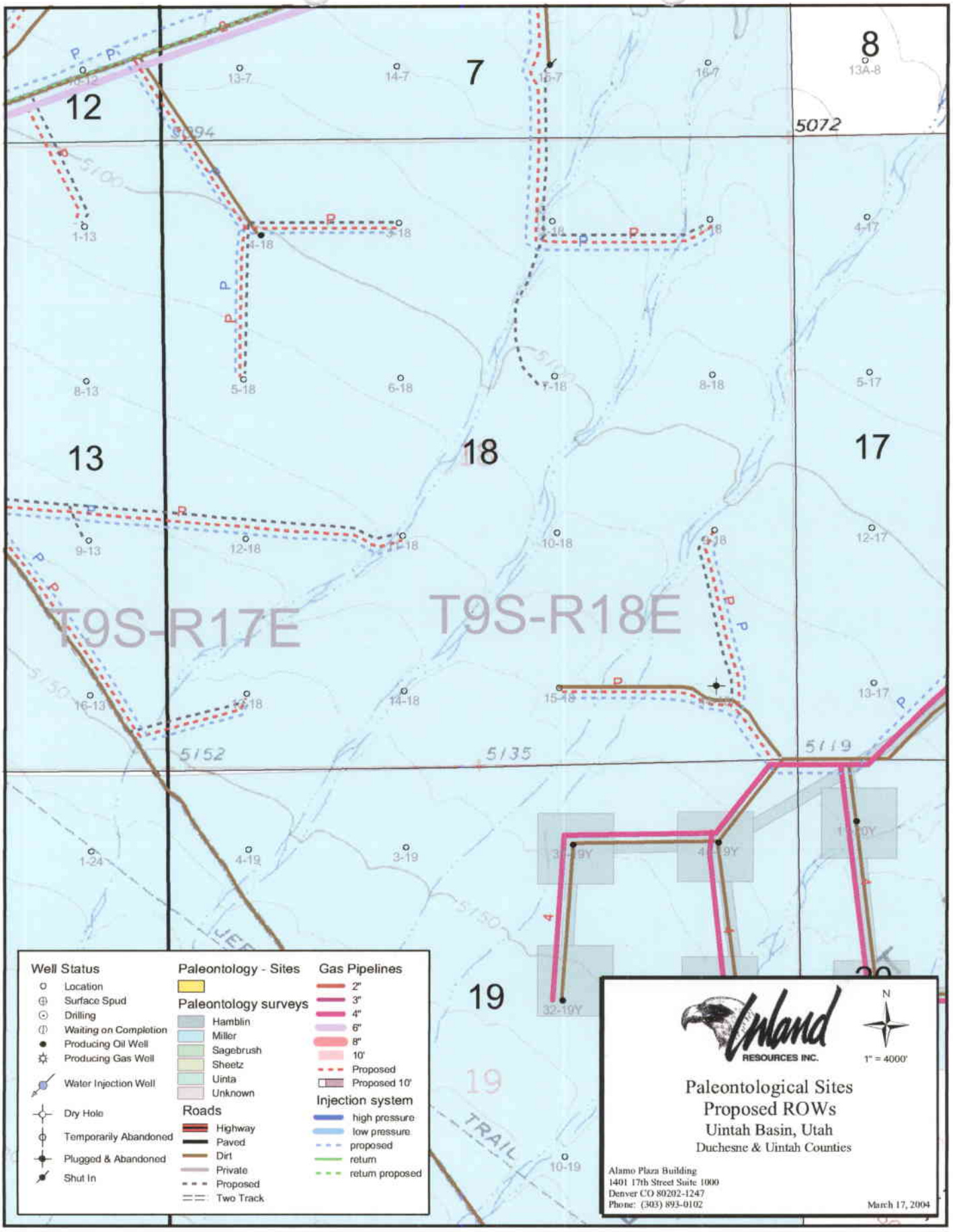
REPORT OF SURVEY

Prepared for:

Inland Resources, Inc.

Prepared by:

Wade E. Miller
Consulting Paleontologist
July 28, 2003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7
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13A-8
5072
13
18
17
T9S-R17E
T9S-R18E
19
5152
5135
5119
5150
TRAIL
Well Status
Location
Surface Spud
Drilling
Waiting on Completion
Producing Oil Well
Producing Gas Well
Water Injection Well
Dry Hole
Temporarily Abandoned
Plugged & Abandoned
Shut In
Paleontology - Sites
Paleontology surveys
Hamblin
Miller
Sagebrush
Sheetz
Uinta
Unknown
Roads
Highway
Paved
Dirt
Private
Proposed
Two Track
Gas Pipelines
2"
3"
4"
6"
8"
10'
Proposed
Proposed 10'
Injection system
high pressure
low pressure
proposed
return
return proposed
Inland
RESOURCES INC.
N
1" = 4000'
Paleontological Sites
Proposed ROWs
Uintah Basin, Utah
Duchesne & Uintah Counties
Alamo Plaza Building
1401 17th Street Suite 1000
Denver CO 80202-1247
Phone: (303) 893-0102
March 17, 2004

004

WORKSHEET

APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/22/2004

API NO. ASSIGNED: 43-047-35581

WELL NAME: FEDERAL 3-18-9-18

OPERATOR: INLAND PRODUCTION (N5160)

CONTACT: MANDIE CROZIER

PHONE NUMBER: 435-646-3721

PROPOSED LOCATION:

NENW 18 090S 180E

SURFACE: 0660 FNL 1980 FWL

BOTTOM: 0660 FNL 1980 FWL

UINTAH

8 MILE FLAT NORTH (590)

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-39714

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: GRRV

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 40.03629

LONGITUDE: 109.93786

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 4488944)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. MUNICIPAL)

N RDCC Review (Y/N)
(Date:)

NA Fee Surf Agreement (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit EIGHT MILE FLAT

✓ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

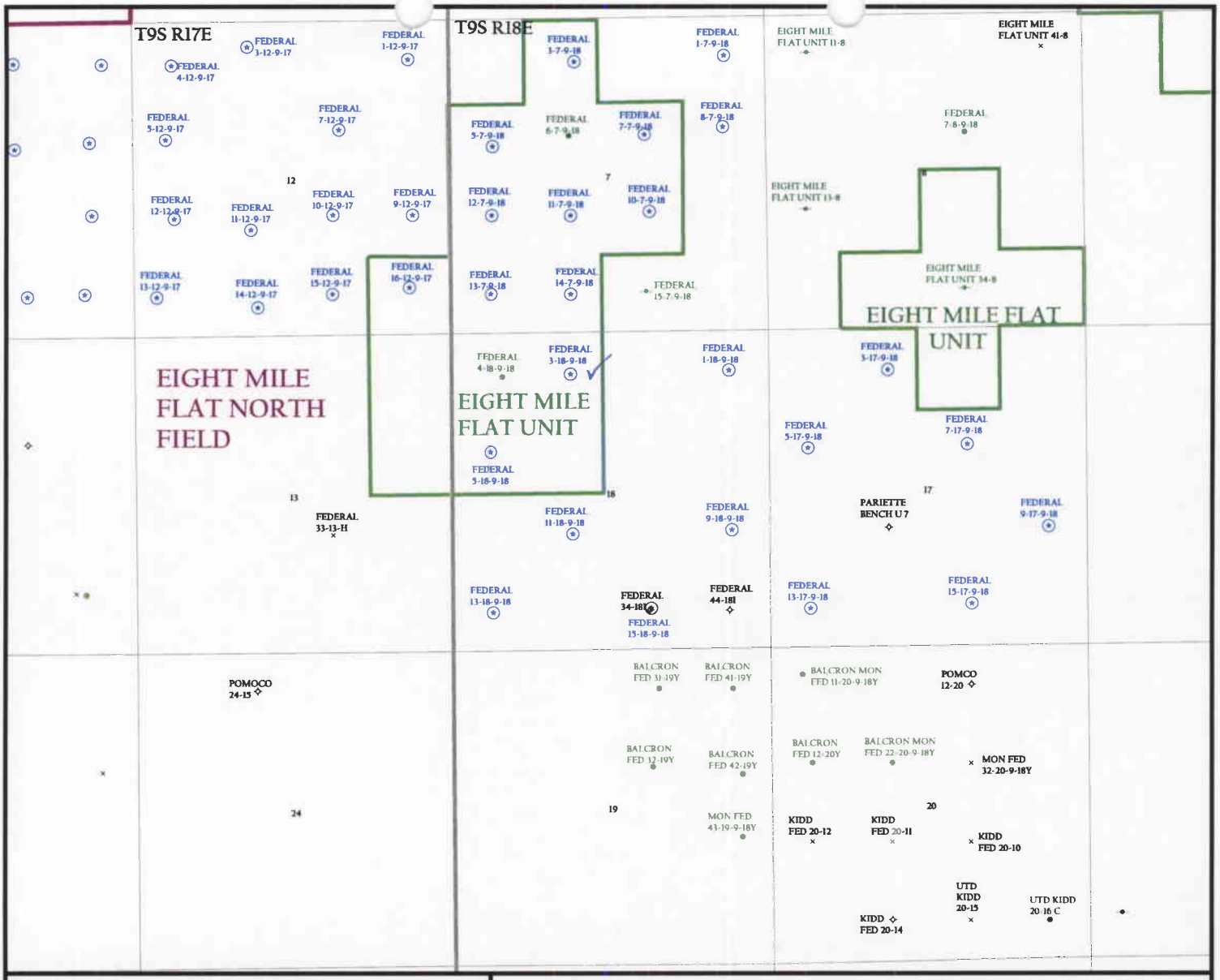
___ R649-3-3. Exception

___ Drilling Unit
Board Cause No:
Eff Date:
Siting:

___ R649-3-11. Directional Drill

COMMENTS: Sep, Separate file.

STIPULATIONS: 1- Federal approval
2- Spacing Slip



OPERATOR: INLAND PROD CO (N5160)

SEC. 18 T.9S, R.18E

FIELD: EIGHT MILE NORTH FLAT (590)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

Utah Oil Gas and Mining

Well Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

N W E S

PREPARED BY: DIANA WHITNEY
DATE: 23-MARCH-2004

002

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

March 23, 2004

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2004 Plan of Development Eight Mile Flat Unit, Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2004 within the Eight Mile Flat Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ Green River)		
43-047-35581	Federal 3-18-9-18	Sec 8 T09S R18E 0660 FNL 1980 FWL
43-047-35582	Federal 5-18-9-18	Sec 8 T09S R18E 1980 FNL 0660 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

RECEIVED
MAR 23 2004
DIV. OF OIL, GAS & MINING

bcc: File - Eight Mile Flat Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:3-23-04

Post-it™ Fax Note 7671	Date 3/22/04	# of pages ▶ 1
To Diana Whitney	From Mickey Coulthard	
Co./Dept. Dogm	Co. BLM	
Phone # 538-5312	Phone # 539-4042	
Fax # 359-3940	Fax # 539-4200	

005

State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

March 23, 2004

Inland Production Company
Rt. #3, Box 3630
Myton, UT 84052

Re: Federal 3-18-9-18 Well, 660' FNL, 1980' FWL, NE NW, Sec. 18, T. 9 South, R. 18 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-35581.

Sincerely,

John R. Baza
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7223 • *www.ogm.utah.gov*

Operator: Inland Production Company

Well Name & Number Federal 3-18-9-18

API Number: 43-047-35581

Lease: U-39714

Location: NE NW **Sec.** 18 **T.** 9 South **R.** 18 East

Conditions of Approval

1. General

   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

   Notify the Division within 24 hours of spudding the well.

   - Contact Carol Daniels at (801) 538-5284.

   Notify the Division prior to commencing operations to plug and abandon the well.

   - Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

FORM 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

006

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.
UTU-39714

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
N/A

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.
FEDERAL 3-18-9-18

9. API Well No.
43-047-35581

2. Name of Operator
NEWFIELD PRODUCTION COMPANY

10. Field and Pool, or Exploratory Area
EIGHT MILE FLAT NORTI

3. Address and Telephone No.
Rt. 3 Box 3630, Myton Utah, 84052 435-646-3721

11. County or Parish, State
UINTAH COUNTY, UT.

4. Location of Well (Footage, Sec., T., R., m., or Survey Description)
660 FNL 1980 FWL NE/NW Section 18, T9S R18E

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
[X] Notice of Intent	[ ] Abandonment	[ ] Change of Plans
[ ] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[X] Other **Permit Extension**	[ ] Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Newfield Production Company requsts to extend the Permit to Drill this well for one year. The original approval date was 3/23/04 (expiration 3/23/05).

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 03-10-05
By: [signature]

RECEIVED
MAR 08 2005
DIV. OF OIL, GAS & MINING

3-10-05
CHD

14. I hereby certify that the foregoing is true and correct
Signed Mandie Crozier Title Regulatory Specialist Date 3/7/2005
Mandie Crozier

CC: UTAH DOGM

(This space for Federal or State office use)
Approved by _____ Title _____ Date _____
Conditions of approval, if any:

CC: Utah DOGM

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fradulent statements or representations as to any matter within its jurisdiction.

RESET

Application for Permit to Drill
Request for Permit Extension
Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-35581
Well Name: Federal 3-18-9-18
Location: NE/NW Section 18, T9S R18E
Company Permit Issued to: Newfield Production Company
Date Original Permit Issued: 3/23/2004

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes☐ No☐ NA

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes☐ No☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes☐ No☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes☐ No☒

Has the approved source of water for drilling changed? Yes☐ No☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes☐ No☒

Is bonding still in place, which covers this proposed well? Yes☒ No☐

Mandie Crozier
Signature

3/7/2005
Date

Title: Regulatory Specialist

Representing: Newfield Production Company

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Geoffrey S. Connor
Secretary of State

Office of the Secretary of State

The undersigned, as Secretary of State of Texas, does hereby certify that the attached is a true and correct copy of each document on file in this office as described below:

Newfield Production Company
Filing Number: 41530400

Articles of Amendment September 02, 2004

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on September 10, 2004.

Secretary of State

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
INLAND PRODUCTION COMPANY

FILED
In the Office of the
Secretary of State of Texas

SEP 02 2004

Corporations Section

Pursuant to the provisions of Article 4.04 of the Texas Business Corporation Act (the "TBCA"), the undersigned corporation adopts the following articles of amendment to the articles of incorporation:

ARTICLE 1 – Name

The name of the corporation is Inland Production Company.

ARTICLE 2 – Amended Name

The following amendment to the Articles of Incorporation was approved by the Board of Directors and adopted by the shareholders of the corporation on August 27, 2004.

The amendment alters or changes Article One of the Articles of Incorporation to change the name of the corporation so that, as amended, Article One shall read in its entirety as follows:

"ARTICLE ONE – The name of the corporation is Newfield Production Company."

ARTICLE 3 – Effective Date of Filing

This document will become effective upon filing.

The holder of all of the shares outstanding and entitled to vote on said amendment has signed a consent in writing pursuant to Article 9.10 of the TBCA, adopting said amendment, and any written notice required has been given.

IN WITNESS WHEREOF, the undersigned corporation has executed these Articles of Amendment as of the 1st day of September, 2004.

INLAND RESOURCES INC.

By: Susan G. Riggs
Susan G. Riggs, Treasurer

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
http://www.blm.gov

IN REPLY REFER TO:
3106
(UT-924)

September 16, 2004

Memorandum

To: Vernal Field Office

From: Acting Chief, Branch of Fluid Minerals

Subject: Merger Approval

Attached is an approved copy of the name change recognized by the Utah State Office. We have updated our records to reflect the merger from Inland Production Company into Newfield Production Company on September 2, 2004.

Michael L Coulthard

Michael Coulthard
Acting Chief, Branch of
Fluid Minerals

Enclosure
1. State of Texas Certificate of Registration

cc: MMS, Reference Data Branch, James Sykes, PO Box 25165, Denver CO 80225
State of Utah, DOGM, Attn: Earlene Russell, PO Box 145801, SLC UT 84114
Teresa Thompson
Joe Incardine
Connie Seare

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77107X
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79641X
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81307X

RECEIVED
MAR 2 2 2004
BLM VERNAL, UTAH

Form 3160-3
(September 2001)

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

008 **APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of Work: ☒ DRILL ☐ REENTER	5. Lease Serial No. U-39714
	6. If Indian, Allottee or Tribe Name N/A
	7. If Unit or CA Agreement, Name and No. N/A
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone	8. Lease Name and Well No. Federal 3-18-9-18
2. Name of Operator Inland Production Company	9. API Well No. 43-047-35581
3a. Address Route #3 Box 3630, Myton UT 84052 / 3b. Phone No. *(include area code)* (435) 646-3721	10. Field and Pool, or Exploratory Eight Mile Flat
4. Location of Well *(Report location clearly and in accordance with any State requirements.*)* At surface NE/NW 660' FNL 1980' FWL At proposed prod. zone	11. Sec., T., R., M., or Blk. and Survey or Area NE/NW Sec. 18, T9S R18E
14. Distance in miles and direction from nearest town or post office* Approximatley 17.6 miles southeast of Myton, Utah	12. County or Parish Uintah / 13. State UT
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) Approx. 660 f/lse, NA f/unit	16. No. of Acres in lease 1,717.32 / 17. Spacing Unit dedicated to this well 40 Acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Approx. 2640'	19. Proposed Depth 6500' / 20. BLM/BIA Bond No. on file #4488944
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5090' GL	22. Approximate date work will start* 3rd Quarter 2004 / 23. Estimated duration Approximately seven (7) days from spud to rig release.

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature Mandie Crozier	Name *(Printed/Typed)* Mandie Crozier	Date 3/19/04
Title Regulatory Specialist		
Approved by *(Signature)* Howard B. Cleavinger	Name *(Printed/Typed)*	Date 02/24/2005
Title Assistant Field Manager Mineral Resources	Office	

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**(Instructions on reverse)*

RECEIVED
MAY 04 2005
DIV. OF OIL, GAS & MINING

UDOGM
NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

94SM0960A

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Inland Production Company

Well Name & Number: Federal 3-18-9-18

API Number: 43-047-35581

Lease Number: U-39714

Location: NENW Sec. 18 T.9S R. 18E

Agreement: N/A

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

Please submit to this office, in LAS format, an electronic copy of all logs run on this well This submission will replace the requirement for submittal of paper logs to the BLM.

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Kirk Fleetwood (435) 828-7874
Petroleum Engineer

Michael Lee (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Inland Production Company

API Number: 43-047-35581

Well Name & Number: Federal 3-18-9-18

Lease Number: U-39714

Location: NENW Sec. 18 T. 9 S. R. 18 E.

Surface Ownership: BLM

Date NOS Received: None

Date APD Received: 3-22-04

-No construction or drilling shall be allowed during the burrowing owl nesting season (April 1 to Aug. 15), without first consulting the BLM biologist. If no nesting owls are found, drilling will be allowed.

-Mountain Plover surveys would have to be conducted in accordance with the U.S. Fish and Wildlife Service Mountain Plover Survey Guidelines.

-To reduce noise levels in the area, a hospital muffler or multi-cylinder engine shall be installed on the pumping unit.

Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET

ROUTING
1. GLH
2. CDW
3. FILE

007

Change of Operator (Well Sold) | Designation of Agent/Operator

X Operator Name Change | **Merger**

The operator of the well(s) listed below has changed, effective: **9/1/2004**

FROM: (Old Operator):	**TO:** (New Operator):
N5160-Inland Production Company	N2695-Newfield Production Company
Route 3 Box 3630	Route 3 Box 3630
Myton, UT 84052	Myton, UT 84052
Phone: 1-(435) 646-3721	Phone: 1-(435) 646-3721

CA No. **Unit:**

WELL(S)

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
FEDERAL 2-4-9-18	04	090S	180E	4304735589	14485	Federal	OW	DRL	K
FEDERAL 3-4-9-18	04	090S	180E	4304735590		Federal	OW	APD	K
FEDERAL 5-4-9-18	04	090S	180E	4304735591		Federal	OW	APD	K
FEDERAL 6-4-9-18	04	090S	180E	4304735592		Federal	OW	APD	K
FEDERAL 8-4-9-18	04	090S	180E	4304735593	14528	Federal	OW	DRL	K
FEDERAL 10-4-9-18	04	090S	180E	4304735594	14535	Federal	OW	DRL	K
FEDERAL 12-4-9-18	04	090S	180E	4304735595		Federal	OW	NEW	K
FEDERAL 16-4-9-18	04	090S	180E	4304735596		Federal	OW	APD	K
FEDERAL 5-17-9-18	17	090S	180E	4304735561		Federal	OW	APD	K
FEDERAL 7-17-9-18	17	090S	180E	4304735562		Federal	OW	APD	K
FEDERAL 9-17-9-18	17	090S	180E	4304735563		Federal	OW	APD	K
FEDERAL 13-17-9-18	17	090S	180E	4304735564		Federal	OW	APD	K
FEDERAL 15-17-9-18	17	090S	180E	4304735565		Federal	OW	APD	K
FEDERAL 1-18-9-18	18	090S	180E	4304735580		Federal	OW	APD	K
FEDERAL 3-18-9-18	18	090S	180E	4304735581		Federal	OW	APD	K
FEDERAL 5-18-9-18	18	090S	180E	4304735582		Federal	OW	APD	K
FEDERAL 9-18-9-18	18	090S	180E	4304735583		Federal	OW	APD	K
FEDERAL 11-18-9-18	18	090S	180E	4304735584		Federal	OW	APD	K
FEDERAL 13-18-9-18	18	090S	180E	4304735585		Federal	OW	APD	K
FEDERAL 15-18-9-18	18	090S	180E	4304735587		Federal	OW	APD	K

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/15/2004
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/15/2004

3. The new company was checked on the **Department of Commerce, Division of Corporations Database on:** 2/23/2005
4. Is the new operator registered in the State of Utah: YES Business Number: 755627-0143
5. If **NO**, the operator was contacted contacted on:

6a. (R649-9-2)Waste Management Plan has been received on: IN PLACE

6b. Inspections of LA PA state/fee well sites complete on: waived

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM BIA

8. **Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

9. **Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: na/

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject,** for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 2/23/2005

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database on:** 2/28/2005
2. Changes have been entered on the **Monthly Operator Change Spread Sheet on:** 2/28/2005
3. Bond information entered in RBDMS on: 2/28/2005
4. Fee/State wells attached to bond in RBDMS on: 2/28/2005
5. Injection Projects to new operator in RBDMS on: 2/28/2005
6. Receipt of Acceptance of Drilling Procedures for APD/New on: waived

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UT 0056

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: 61BSBDH2912

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 61BSBDH2919

2. The **FORMER** operator has requested a release of liability from their bond on: n/a*
The Division sent response by letter on: n/a

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

*Bond rider changed operator name from Inland Production Company to Newfield Production Company - **received 2/23/05**

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: **NEWFIELD PRODUCTION COMPANY**

Well Name: **FEDERAL 3-18-9-18**

Api No: **43-047-35581** Lease Type: **FEDERAL**

Section **18** Township **09S** Range **18E** County **UINTAH**

Drilling Contractor **NDSI** RIG # **NS#1**

SPUDDED:

Date **10/03/05**

Time **10:00 AM**

How **DRY**

Drilling will Commence:

Reported by **RAY HERRERA**

Telephone # **1-435-823-1990**

Date **10/04/2005** **Signed** **CHD**

RECEIVED
OCT 0 5 2005
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
ENTITY ACTION FORM -FORM 6

OPERATOR: NEWFIELD PRODUCTION COMPANY
ADDRESS: RT. 3 BOX 3630
MYTON, UT 84052

OPERATOR ACCT. NO. N2695

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION QQ	SC	TP	RG	COUNTY	SPUD DATE	EFFECTIVE DATE
B	99999	14844 ✓	43-047-35581	FEDERAL 3-18-9-18	NENW	18	9S	18E	UINTAH	10/03/05	10/7/05

WELL 1 COMMENTS: GRRV —

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION QQ	SC	TP	RG	COUNTY	SPUD DATE	EFFECTIVE DATE
A	99999	14965	43-013-32651	FEDERAL 12-13-9-16	NWSW	13	9S	16E	DUCHESNE	09/29/05	10/7/05

GRRV —

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION QQ	SC	TP	RG	COUNTY	SPUD DATE	EFFECTIVE
	99999										

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION QQ	SC	TP	RG	COUNTY	SPUD DATE	EFFECTIVE DATE
	99999										

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION QQ	SC	TP	RG	COUNTY	SPUD DATE	EFFECTIVE DATE
	99999										

WELL 5 COMMENTS:

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION QQ	SC	TP	RG	COUNTY	SPUD DATE	EFFECTIVE DATE
	99999										

WELL 5 COMMENTS:

ACTION CODES (See instructions on back of form)

A - Establish new entity for new well (single well only)
B - Add new well to existing entity (group or unit well)
C - Re-assign well from one existing entity to another existing entity
D - Re-assign well from one existing entity to a new entity
E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

Signature: Kim Kettle — Kim Kettle

Title: Production Clerk

Date: October 5, 2005

10/05/2005 12:42 4356463031 INLAND PAGE 02

FORM 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31,2004

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
UTU39714

6. If Indian, Allottee or Tribe Name.

7. If Unit or CA/Agreement, Name and/or No.
SUNDANCE UNIT

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
FEDERAL 3-18-9-18

2. Name of Operator
Newfield Production Company

9. API Well No.
4304735581

3a. Address Route 3 Box 3630
Myton, UT 84052

3b. Phone No. *(include are code)*
435.646.3721

10. Field and Pool, or Exploratory Area
Monument Butte

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
660 FNL 1980 FWL
NE/NW Section 18 T9S R18E

11. County or Parish, State
Uintah,UT

12. CHECK APPROPRIATE BOX(ES) TO INIDICATE NATURE OF NOTICE, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production(Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Spud Notice
	☐ Change Plans	☐ Plug & Abandon	☐ Temporarily Abandon	
	☐ Convert to Injector	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

On 10/3/05 MIRU NDSI NS # 1. Drill 310' of 12 1/4" hole with air mist. TIH W/ 7 Jt's 8 5/8" J-55 24 # csgn. Set @ 315.47'/ KB
On 10/9/05 cement with 160 sks of class "G" w/ 2% CaCL2 + 1/4# sk Cello- Flake Mixed @ 15.8 ppg > 1.17 cf/ sk yeild.
Returned 4.5 bbls cement to pit. WOC.

I hereby certify that the foregoing is true and correct
Name *(Printed/ Typed)*
Alvin Nielsen

Title
Drilling Foreman

Signature

Date
10/10/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious and fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on reverse)

RECEIVED
OCT 12 2005
DIV. OF OIL, GAS & MINING

NEWFIELD PRODUCTION COMPANY - CASING & CEMENT REPORT

8 5/8 CASING SET AT 315.47

LAST CASING 8 5/8" SET AT 315'
DATUM 12' KB
DATUM TO CUT OFF CASING
DATUM TO BRADENHEAD FLANGE
TD DRILLER 310' LOGGER
HOLE SIZE 12 1/4

OPERATOR Newfield Production Company
WELL Federal 3-18-9-18
FIELD/PROSPECT Monument Butte
CONTRACTOR & RIG # NDSI NS #1

LOG OF CASING STRING:

PIECES	OD	ITEM - MAKE - DESCRIPTION	WT / FT	GRD	THREAD	CONDT	LENGTH
		Shoe Joint 43.30'					
		WHI - 92 csg head			8rd	A	0.95
7	8 5/8"	Maverick ST&C csg	24#	J-55	8rd	A	303.62
		GUIDE shoe			8rd	A	0.9

CASING INVENTORY BAL.	FEET	JTS
TOTAL LENGTH OF STRING	305.47	7
LESS NON CSG. ITEMS	1.85	
PLUS FULL JTS. LEFT OUT	0	
TOTAL	303.62	7
TOTAL CSG. DEL. (W/O THRDS)	302.91	7
TIMING	1ST STAGE	
BEGIN RUN CSG. Spud	10/3/2005	10:00 AM
CSG. IN HOLE	10/4/2005	10:00 AM
BEGIN CIRC	10/9/2005	9:03 AM
BEGIN PUMP CMT	10/9/2005	9:14 AM
BEGIN DSPL. CMT	10/9/2005	9:24 AM
PLUG DOWN	10/9/2005	9:32 AM

TOTAL LENGTH OF STRING	305.47
LESS CUT OFF PIECE	2
PLUS DATUM TO T/CUT OFF CSG	12
CASING SET DEPTH	315.47

} COMPARE

GOOD CIRC THRU JOB YES
Bbls CMT CIRC TO SURFACE 4.5
RECIPROCATED PIPE FOR N/A
BUMPED PLUG TO 350 PSI

CEMENT USED		CEMENT COMPANY- B. J.
STAGE	# SX	CEMENT TYPE & ADDITIVES
1	160	Class "G" w/ 2% CaCL2 + 1/4#/sk Cello-Flake mixed @ 15.8 ppg 1.17 cf/sk yield

CENTRALIZER & SCRATCHER PLACEMENT	SHOW MAKE & SPACING
Centralizers - Middle first, top second & third for 3	

COMPANY REPRESENTATIVE Alvin Nielsen DATE 10/10/2005

RECEIVED
OCT 12 2005
DIV. OF OIL, GAS & MINING

FORM 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31,2004

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.
UTU39714

6. If Indian, Allottee or Tribe Name.

7. If Unit or CA/Agreement, Name and/or No.
SUNDANCE UNIT

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
FEDERAL 3-18-9-18

2. Name of Operator
Newfield Production Company

9. API Well No.
4304735581

3a. Address Route 3 Box 3630
Myton, UT 84052

3b. Phone No. *(include are code)*
435.646.3721

10. Field and Pool, or Exploratory Area
Monument Butte

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
660 FNL 1980 FWL
NE/NW Section 18 T9S R18E

11. County or Parish, State
Uintah,UT

12. CHECK APPROPRIATE BOX(ES) TO INIDICATE NATURE OF NOTICE, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production(Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Weekly Status Report
	☐ Change Plans	☐ Plug & Abandon	☐ Temporarily Abandon	
	☐ Convert to Injector	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

On 10/26/05 MIRU NDSI Rig # 2. Set all equipment. Pressure test Kelly, TIW, Choke manifold, & Bop's to 2,000 psi. Test 8.625 csgn to 1,500 psi. Vernal BLM field, & Roosevelt DOGM office was notifed of test. PU BHA and tag cement @ 262'. Drill out cement & shoe. Drill a 7.875 hole with fresh water to a depth of 5,585. Lay down drill string & BHA. Open hole log w/ Dig/SP/GR log's TD to surface. PU & TIH with Guide shoe, shoe jt, float collar, 131 jt's of 5.5 J-55, 15.5# csgn. Set @ 5565' / KB. Cement with 310 sks cement mixed @ 11.0 ppg & 3.43 yld. Then 420 sks cement mixed @ 14.4 ppg & 1.24 yld. With 12 bbls cement returned to pit. Nipple down Bop's. Drop slips @78,000 #'s tension. Release rig 7:30 AM 10/30/05

I hereby certify that the foregoing is true and correct
Name *(Printed/ Typed)*
Alvin Nielsen

Title
Drilling Foreman

Signature Alvin Nielsen

Date
10/30/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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Office

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(Instructions on reverse)

RECEIVED
NOV 01 2005
DIV. OF OIL, GAS & MINING

NEWFIELD PRODUCTION COMPANY - CASING & CEMENT REPORT

5 1/2" CASING SET AT 5565.34

Flt cllr @ 5550.09

LAST CASING 8 5/8" SET AT 315'

OPERATOR Newfield Production Company

DATUM 12' KB

WELL Federal 3-18-9-18

DATUM TO CUT OFF CASING 12'

FIELD/PROSPECT Monument Butte

DATUM TO BRADENHEAD FLANGE

CONTRACTOR & RIG # NDSI rig #2

TD DRILLER 5585' LOGGER 5571

HOLE SIZE 7 7/8"

LOG OF CASING STRING:

PIECES	OD	ITEM - MAKE - DESCRIPTION	WT / FT	GRD	THREAD	CONDT	LENGTH
		Landing Jt					14
		Short jt 3737' (620')					
132	**5 1/2"**	ETC LT & C casing	**15.5#**	**J-55**	**8rd**	**A**	5536.09
		Float collar					0.6
1	**5 1/2"**	ETC LT&C csg	**15.5#**	**J-55**	**8rd**	**A**	16
		GUIDE shoe			**8rd**	**A**	0.65

CASING INVENTORY BAL.	FEET	JTS
TOTAL LENGTH OF STRING	5567.34	133
LESS NON CSG. ITEMS	15.25	
PLUS FULL JTS. LEFT OUT	459.3	11
TOTAL	**6011.39**	144
TOTAL CSG. DEL. (W/O THRDS)	6011.39	144
TIMING	1ST STAGE	2nd STAGE
BEGIN RUN CSG.	10/30/2005	1:30 AM
CSG. IN HOLE	10/30/2005	4:30 AM
BEGIN CIRC	10/30/2005	4:30 AM
BEGIN PUMP CMT	10/30/2005	5:12 AM
BEGIN DSPL. CMT	10/30/2005	6:04 AM
PLUG DOWN	**10/30/2005**	**6:28 AM**

TOTAL LENGTH OF STRING	5567.34
LESS CUT OFF PIECE	14
PLUS DATUM TO T/CUT OFF CSG	12
CASING SET DEPTH	**5565.34**

} COMPARE

GOOD CIRC THRU JOB YES

Bbls CMT CIRC TO SURFACE 12

RECIPROCATED PIPE FOR THRUSTROKE No

DID BACK PRES. VALVE HOLD ? YES

BUMPED PLUG TO 2080 PSI

CEMENT USED		CEMENT COMPANY- **B. J.**
STAGE	# SX	CEMENT TYPE & ADDITIVES
1	310	Premlite II w/ 10% gel + 3 % KCL, 3#'s /sk CSE + 2# sk/kolseal + 1/4#'s/sk Cello Flake
		mixed @ 11.0 ppg W / 3.43 cf/sk yield
2	420	50/50 poz W/ 2% Gel + 3% KCL, .5%EC1,1/4# sk C.F. 2% gel. 3% SM mixed @ 14.4 ppg W/ 1.24 YLD

CENTRALIZER & SCRATCHER PLACEMENT — SHOW MAKE & SPACING

Centralizers - Middle first, top second & third. Then every third collar for a total of 20.

COMPANY REPRESENTATIVE Alvin Nielsen DATE 10/30/2005

RECEIVED
NOV 0 1 2005
DIV. OF OIL, GAS & MINING

FORM 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31,2004

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side

5. Lease Serial No.
UTU39714

6. If Indian, Allottee or Tribe Name.

7. If Unit or CA/Agreement, Name and/or No.
SUNDANCE UNIT

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
FEDERAL 3-18-9-18

2. Name of Operator
Newfield Production Company

9. API Well No.
4304735581

3a. Address Route 3 Box 3630
Myton, UT 84052

3b. Phone No. *(include are code)*
435.646.3721

10. Field and Pool, or Exploratory Area
Monument Butte

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
660 FNL 1980 FWL
NE/NW Section 18 T9S R18E

11. County or Parish, State
Uintah,UT

12. CHECK APPROPRIATE BOX(ES) TO INIDICATE NATURE OF NOTICE, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production(Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug & Abandon	☐ Temporarily Abandon	
	☐ Convert to Injector	☐ Plug Back	☒ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Formation water is produced to a steel storage tank. If the production water meets quality guidelines, it is transported to the Ashley, Monument Butte, Jonah, and Beluga water injection facilities by company or contract trucks. Subsequently, the produced water is injected into approved Class II wells to enhance Newfield's secondary recovery project.

Water not meeting quality criteria, is disposed at Newfield's Pariette #4 disposal well (Sec. 7, T9S R19E) or at State of Utah approved surface disposal facilities.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY

I hereby certify that the foregoing is true and correct
Name *(Printed/ Typed)*
Mandie Crozier

Title
Regulatory Specialist

Signature

Date
11/29/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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Office

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(Instructions on reverse)

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Expires January 31,2004

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SUNDANCE UNIT

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
FEDERAL 3-18-9-18

2. Name of Operator
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3a. Address Route 3 Box 3630
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NE/NW Section 18 T9S R18E

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Uintah,UT

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☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Variance
	☐ Change Plans	☐ Plug & Abandon	☐ Temporarily Abandon	
	☐ Convert to Injector	☐ Plug Back	☐ Water Disposal	

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Newfield Production Company is requesting a variance from Onshore Order 43 CFR Part 3160 Section 4 requiring production tanks to be equipped with Enardo or equivalent vent line valves. Newfield operates wells that produce from the Green River formation, which are relatively low gas producers (20 mcfpd). The majority of the wells are equipped with a three phase separator to maximize gas separation and sales.

Newfield is requesting a variance for safety reasons. Crude oil production tanks equipped with back pressure devices will emit a surge of gas when the thief hatches are open. While gauging tanks, lease operators will be subject to breathing toxic gases as well as risk a fire hazard, under optimum conditions

12-1-05
CHD

Accepted by the
Utah Division of
Oil, Gas and Mining

Federal Approval Of This
Action Is Necessary

I hereby certify that the foregoing is true and correct
Name *(Printed/ Typed)*
Mandie Crozier

Title
Regulatory Specialist

Signature
Mandie Crozier

Date
11/29/2005

Date: 11/30/05
By:

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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BUREAU OF LAND MANAGEMENT

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Expires January 31,2004

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☒ Oil Well ☐ Gas Well ☐ Other

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2. Name of Operator
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Monument Butte

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660 FNL 1980 FWL
NE/NW Section 18 T9S R18E

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	☐ Change Plans	☐ Plug & Abandon	☐ Temporarily Abandon	
	☐ Convert to Injector	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Status report for time period 11/11/05 - 11/28/05

Subject well had completion procedures intiated in the Green River formation on 11-11-05 without the use of a service rig over the well. A cement bond log was run and a total of four Green River intervals were perforated and hydraulically fracture treated with 20/40 mesh sand. Perforated intervals are as follows: Stage #1 (5470'-5492'); Stage #2 (5319'-5325'),(5289'-5296'); Stage #3 (4982'-4990'),(4948'-4953'); Stage #4 (4746'-4765'). All perforations, were 4 JSPF. Composite flow-through frac plugs were used between stages. Fracs were flowed back through chokes. A service rig was moved over the well on 05-13-2005. Bridge plugs were drilled out and well was cleaned to 5548'. Zones were swab tested for sand cleanup. A new 1 1/2" bore rod pump was run in well on sucker rods. Well was placed on production via rod pump on 11-28-2005.

I hereby certify that the foregoing is true and correct
Name *(Printed/ Typed)* Lana Nebeker
Signature Lana Nebeker

Title
Production Clerk

Date
12/09/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious and fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on reverse)

RECEIVED
DEC 13 2005
DIV. OF OIL, GAS & MINING

FORM 3160-4
(July 1992)

SUBMIT IN DUPLICATE* (See other instructions ons reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

5. LEASE DESIGNATION AND SERIAL NO.: UTU-39714

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA

1a. TYPE OF WORK: OIL WELL [X] GAS WELL [ ] DRY [ ] Other

1b. TYPE OF WELL: NEW WELL [X] WORK OVER [ ] DEEPEN [ ] PLUG BACK [ ] DIFF RESVR. [ ] Other

7. UNIT AGREEMENT NAME: Sundance Unit

8. FARM OR LEASE NAME, WELL NO.: Federal 3-18-9-18

2. NAME OF OPERATOR: Newfield Exploration Company

9. WELL NO.: 43-047-35581

3. ADDRESS AND TELEPHONE NO.: 1401 17th St. Suite 1000 Denver, CO 80202

10. FIELD AND POOL OR WILDCAT: Eight Mile Flat

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.*)
At Surface: 660' FSL & 1980' FWL (NE/NW) Sec. 18, T9S, R18E
At top prod. Interval reported below
At total depth

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA: Sec. 18, T9S, R18E

14. API NO.	DATE ISSUED	12. COUNTY OR PARISH	13. STATE
43-047-35581	3/23/04	Uintah	UT

15. DATE SPUDDED	16. DATE T.D. REACHED	17. DATE COMPL. (Ready to prod.)	18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*		19. ELEV. CASINGHEAD
10/3/05	10/29/05	11/28/05	5090' GL	5102' KB	

20. TOTAL DEPTH, MD & TVD	21. PLUG BACK T.D., MD & TVD	22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY	ROTARY TOOLS	CABLE TOOLS
5585'	5548'		------->	X	

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*: Green River 4746'-5492'

25. WAS DIRECTIONAL SURVEY MADE: No

26. TYPE ELECTRIC AND OTHER LOGS RUN: Dual Induction Guard, SP, Compensated Density, Compensated Neutron, GR, Caliper, Cement Bond Log

27. WAS WELL CORED: No

23. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
8-5/8" - J-55	24#	315'	12-1/4"	To surface with 160 sx Class "G" cmt	
5-1/2" - J-55	15.5#	5565'	7-7/8"	310 sx Premlite II and 420 sx 50/50 Poz	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-7/8"	EOT @ 5481'	TA @ 5383'

31. PERFORATION RECORD (Interval, size and number)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

INTERVAL	SIZE	SPF/NUMBER	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
(CP4) 5470'-5492'	.46"	4/88	5470'-5492'	Frac w/ 59,020# 20/40 sand in 506 bbls fluid
(CP1&2) 5289'-5296', 5319'-5325'	.46"	4/52	5289'-5325'	Frac w/ 54,666# 20/40 sand in 532 bbls fluid
(A1&3) 4948'-4953', 4982'-4990'	.46"	4/52	4948'-4990'	Frac w/ 79,595# 20/40 sand in 593 bbls fluid
(B1) 4746'-4765'	.46"	4/76	4746'-4765'	Frac w/ 91,249# 20/40 sand in 657 bbls fluid

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)	WELL STATUS (Producing or shut-in)
11/28/05	2-1/2" x 1-1/2" x 14' RHAC SM Plunger Pump	PRODUCING

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL--BBLS.	GAS--MCF.	WATER--BBL.	GAS-OIL RATIO
30 day ave			----->	28	10	101	357

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL--BBL.	GAS--MCF.	WATER--BBL.	OIL GRAVITY-API (CORR.)
		----->				

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.): Sold & Used for Fuel

TEST WITNESSED BY

RECEIVED
JAN 03 2006
DIV. OF OIL, GAS & MINING

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED: Mandie Crozier TITLE: Regulatory Specialist DATE: 12/29/2005

MC

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
			Well Name **Federal 3-18-9-18**

38. GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
Garden Gulch Mkr	**3508'**	
Garden Gulch 1	**3682'**	
Garden Gulch 2	**3795'**	
Point 3 Mkr	**4058'**	
X Mkr	**4284'**	
Y-Mkr	**4323'**	
Douglas Creek Mkr	**4450'**	
BiCarbonate Mkr	**4684'**	
B Limestone Mkr	**4817'**	
Castle Peak	**5250'**	
Basal Carbonate		
Total Depth (LOGGERS	**5576'**	

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8
1595 Wynkoop Street
DENVER, CO 80202-1129
Phone 800-227-8917
http://www.epa.gov/region08

Ref: 8P-W-GW

JAN 0 8 2009

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

Eric Sundberg
Newfield Production Company
1001 Seventeenth Street – Suite 2000
Denver, CO 80202

43 047 35581
9S 18E 18

Re: FINAL PERMIT
EPA UIC Permit UT21155-07854
Well: Federal 3-18-9-18
Uintah County, UT

Dear Mr. Sundberg:

Enclosed is your copy of the FINAL Underground Injection Control (UIC) Permit for the proposed Federal 3-18-9-18 injection well. A Statement of Basis that discusses the conditions and requirements of this EPA UIC Permit is also included.

The Public Comment period for this Permit ended on DEC 2 6 2008. No comments on the Draft Permit were received during the Public Notice period. Please note that EPA made minor corrections to Appendix B of the Draft Permit to remove unnecessary and duplicative testing requirements; therefore, the Effective Date for this EPA UIC Permit is 30 days after the date of issuance. All conditions set forth herein refer to Title 40 Parts 124, 144, 146, and 147 of the Code of Federal Regulations (CFR) and are regulations that are in effect as of the Effective Date of this Permit.

Please note that under the terms and conditions of this Final Permit you are authorized only to construct the proposed injection well. Prior to commencing injection, you first must fulfill all "Prior to Commencing Injection" requirements of the Final Permit, Part II Section C.1, and obtain written Authorization to Inject from the EPA. It is your responsibility to be familiar with and to comply with all provisions of your Final Permit. The EPA forms referenced in the permit are available at http://www.epa.gov/safewater/uic/reportingforms.html. Guidance documents for Cement Bond Logging, Radioactive Tracer testing, Step Rate testing, Mechanical Integrity demonstration, Procedure in the Event of a Mechanical Integrity Loss, and other UIC guidances, are available at http://www.epa.gov/region8/water/uic/deep_injection.html. Upon request, hard copies of the EPA forms and guidance can be provided.

RECEIVED
JAN 2 6 2009
DIV. OF OIL, GAS & MINING

This EPA UIC Permit is issued for the operating life of the well unless terminated (Part III, Section B). The EPA may review this Permit at least every five (5) years to determine whether any action is warranted pursuant to 40 CFR § 144.36(a).

If you have any questions on the enclosed Final Permit or Statement of Basis, please call Jason Deardorff of my staff at (303) 312-6583, or toll-free at (800) 227-8917, ext. 312-6583.

Sincerely,

Eddie A. Sierra
Acting Assistant Regional Administrator
Office of Partnerships and Regulatory Assistance

Encl: Final UIC Permit
Statement of Basis

Cc: Final Permit Letter:
Uintah & Ouray Business Committee,Ute Indian Tribe
Curtis Cesspooch, Chairman
Irene Cuch, Vice-Chairwoman
Frances Poowegup, Councilwoman
Ronald Groves, Councilman
Phillip Chimburas, Councilman
Steven Cesspooch, Councilman

Daniel Picard, Superintendent
U.S. Bureau of Indian Affairs
Uintah & Ouray Indian Agency

All Enclosures:

Michelle Sabori
Acting Director
Land Use Department
Ute Indian Tribe

Larry Love
Director of Energy & Minerals Dept.
Ute Indian Tribe

Elaine Willie
GAP Coordinator
Ute Indian Tribe

Gil Hunt
Associate Director
Utah Division of Oil, Gas, and Mining

Fluid Minerals Engineering Office
BLM - Vernal Office

Michael Guinn
District Manager
Newfield Production Company
Myton, Utah

EPA

UNDERGROUND INJECTION CONTROL PROGRAM

PERMIT

PREPARED: January 2009

Permit No. UT21155-07854

Class II Enhanced Oil Recovery Injection Well

Federal 3-18-9-18
Uintah County, UT

Issued To

Newfield Production Company
1001 Seventeenth Street, Suite 2000
Denver, CO 80202

Part I. AUTHORIZATION TO CONSTRUCT AND OPERATE

Under the authority of the Safe Drinking Water Act and Underground Injection Control (UIC) Program regulations of the U. S. Environmental Protection Agency (EPA) codified at Title 40 of the Code of Federal Regulations (40 CFR) Parts 2, 124, 144, 146, and 147, and according to the terms of this Permit,

Newfield Production Company
1001 Seventeenth Street, Suite 2000
Denver, CO 80202

is authorized to construct and to operate the following Class II injection well or wells:

Federal 3-18-9-18
660'FNL; 1980'FWL., NENW S18, T9S, R18E
Uintah County, UT

EPA regulates the injection of fluids into injection wells so that injection does not endanger underground sources of drinking water (USDWs). EPA UIC Permit conditions are based on authorities set forth at 40 CFR Parts 144 and 146, and address potential impacts to USDWs.

Under 40 CFR Part 144, Subpart D, certain conditions apply to all UIC Permits and may be incorporated either expressly or by reference. General permit conditions for which the content is mandatory and not subject to site-specific differences are not discussed in this document. Issuance of this Permit does not convey any property rights of any sort or any exclusive privilege, nor does it authorize injury to persons or property or invasion of other private rights, or any infringement of other Federal, State or local laws or regulations. (40 CFR §144.35) An EPA UIC Permit may be issued for the operating life of the injection well or project unless terminated for reasonable cause under 40 CFR §§144.39, 144.40 and 144.41, and may be reviewed at least once every five (5) years to determine if action is required under 40 CFR §144.36(a).

This Permit is issued for the life of the well(s) unless modified, revoked and reissued, or terminated under 40 CFR 144.39 or 144.40. This EPA Permit may be adopted, modified, revoked and reissued, or terminated if primary enforcement authority for a UIC Program is delegated to an Indian Tribe or State. Upon the effective date of delegation, reports, notifications, questions and other correspondence should be directed to the Indian Tribe or State Director.

Issue Date: JAN 0 8 2009 Effective Date FEB 0 8 2009

Eddie A. Sierra
Acting Assistant Regional Administrator*
Office of Partnerships and Regulatory Assistance

*NOTE: The person holding this title is referred to as the "Director" throughout this Permit.

PART II. SPECIFIC PERMIT CONDITIONS

Section A. WELL CONSTRUCTION REQUIREMENTS

These requirements represent the approved minimum construction standards for well casing and cement, injection tubing, and packer.

Details of the approved well construction plan are incorporated into this Permit as APPENDIX A. Changes to the approved plan that may occur during construction must be approved by the Director prior to being physically incorporated.

1. Casing and Cement.

The well or wells shall be cased and cemented to prevent the movement of fluids into or between underground sources of drinking water. The well casing and cement shall be designed for the life expectancy of the well and of the grade and size shown in APPENDIX A. Remedial cementing may be required if shown to be inadequate by cement bond log or other attempted demonstration of Part II (External) mechanical integrity.

2. Injection Tubing and Packer.

Injection tubing is required, and shall be run and set with a packer at or below the depth indicated in APPENDIX A. The packer setting depth may be changed provided it remains below the depth indicated in APPENDIX A and the Permittee provides notice and obtains the Director's approval for the change.

3. Sampling and Monitoring Devices.

The Permittee shall install and maintain in good operating condition:

(a) a "tap" at a conveniently accessible location on the injection flow line between the pump house or storage tanks and the injection well, isolated by shut-off valves, for collection of representative samples of the injected fluid; and

(b) one-half (1/2) inch female iron pipe fitting, isolated by shut-off valves and located at the wellhead at a conveniently accessible location, for the attachment of a pressure gauge capable of monitoring pressures ranging from normal operating pressures up to the Maximum Allowable Injection Pressure specified in APPENDIX C:

  (i) on the injection tubing; and

  (ii) on the tubing-casing annulus (TCA); and

(c) a pressure actuated shut-off device attached to the injection flow line set to shut-off the injection pump when or before the Maximum Allowable Injection Pressure (MAIP) specified in APPENDIX C is reached at the wellhead; and

(d) a non-resettable cumulative volume recorder attached to the injection line.

4. Well Logging and Testing

Well logging and testing requirements are found in APPENDIX B. The Permittee shall ensure the log and test requirements are performed within the time frames specified in APPENDIX B. Well logs and tests shall be performed according to current EPA-approved procedures. Well log and test results shall be submitted to the Director within sixty (60) days of completion of the logging or testing activity, and shall include a report describing the methods used during logging or testing and an interpretation of the test or log results.

5. Postponement of Construction or Conversion

The Permittee shall complete well construction within one year of the Effective Date of the Permit, or in the case of an Area Permit within one year of Authorization of the additional well. Authorization to construct and operate shall expire if the well has not been constructed within one year of the Effective Date of the Permit or Authorization and the Permit may be terminated under 40 CFR 144.40, unless the Permittee has notified the Director and requested an extension prior to expiration. Notification shall be in writing, and shall state the reasons for the delay and provide an estimated completion date. Once Authorization has expired under this part, the complete permit process including opportunity for public comment may be required before Authorization to construct and operate may be reissued.

6. Workovers and Alterations

Workovers and alterations shall meet all conditions of the Permit. Prior to beginning any addition or physical alteration to an injection well that may significantly affect the tubing, packer or casing, the Permittee shall give advance notice to the Director and obtain the Director's approval. The Permittee shall record all changes to well construction on a Well Rework Record (EPA Form 7520-12), and shall provide this and any other record of well workover, logging, or test data to EPA within sixty (60) days of completion of the activity.

A successful demonstration of Part I MI is required following the completion of any well workover or alteration which affects the casing, tubing, or packer. Injection operations shall not be resumed until the well has successfully demonstrated mechanical integrity and the Director has provided written approval to resume injection.

Section B. MECHANICAL INTEGRITY

The Permittee is required to ensure each injection well maintains mechanical integrity at all times. The Director, by written notice, may require the Permittee to comply with a schedule describing when mechanical integrity demonstrations shall be made.

An injection well has mechanical integrity if:

(a) There is no significant leak in the casing, tubing, or packer (Part I); and

(b) There is no significant fluid movement into an underground source of drinking water through vertical channels adjacent to the injection well bore (Part II).

1. Demonstration of Mechanical Integrity (MI).

The operator shall demonstrate MI prior to commencing injection and periodically thereafter. Well-specific conditions dictate the methods and the frequency for demonstrating MI and are discussed in the Statement of Basis. The logs and tests are designed to demonstrate both internal (Part I) and external (Part II) MI as described above. The conditions present at this well site warrant the methods and frequency required in Appendix B of this Permit.

In addition to these regularly scheduled demonstrations of MI, the operator shall demonstrate internal (Part I) MI after any workover which affects the tubing, packer or casing.

The Director may require additional or alternative tests if the results presented by the operator are not satisfactory to the Director to demonstrate there is no movement of fluid into or between USDWs resulting from injection activity. Results of MI tests shall be submitted to the Director as soon as possible but no later than sixty (60) days after the test is complete.

2. Mechanical Integrity Test Methods and Criteria

EPA-approved methods shall be used to demonstrate mechanical integrity. Ground Water Section Guidance No. 34 "Cement Bond Logging Techniques and Interpretation", Ground Water Section Guidance No. 37, "Demonstrating Part II (External) Mechanical Integrity for a Class II injection well permit", and Ground Water Section Guidance No. 39, "Pressure Testing Injection Wells for Part I (Internal) Mechanical Integrity" are available from EPA and will be provided upon request.

The Director may stipulate specific test methods and criteria best suited for a specific well construction and injection operation.

3. Notification Prior to Testing.

The Permittee shall notify the Director at least 30 days prior to any scheduled mechanical integrity test. The Director may allow a shorter notification period if it would be sufficient to enable EPA to witness the mechanical integrity test. Notification may be in the form of a yearly or quarterly schedule of planned mechanical integrity tests, or it may be on an individual basis.

4. Loss of Mechanical Integrity.

If the well fails to demonstrate mechanical integrity during a test, or a loss of mechanical integrity becomes evident during operation (such as presence of pressure in the TCA, water flowing at the surface, etc.), the Permittee shall notify the Director within 24 hours (see Part III Section E Paragraph 11(e) of this Permit) and the well shall be shut-in within 48 hours unless the Director requires immediate shut-in.

Within five days, the Permittee shall submit a follow-up written report that documents test results, repairs undertaken or a proposed remedial action plan.

Injection operations shall not be resumed until after the well has successfully been repaired and demonstrated mechanical integrity, and the Director has provided approval to resume injection.

Section C. WELL OPERATION

INJECTION BETWEEN THE OUTERMOST CASING PROTECTING UNDERGROUND SOURCES OF DRINKING WATER AND THE WELL BORE IS PROHIBITED.

Injection is approved under the following conditions:

1. Requirements Prior to Commencing Injection.

Well injection, including for new wells authorized by an Area Permit under 40 CFR 144.33 (c), may commence only after all well construction and pre-injection requirements herein have been met and approved. The Permittee may not commence injection until construction is complete, and

(a) The Permittee has submitted to the Director a notice of completion of construction and a completed EPA Form 7520-10 or 7520-12; all applicable logging and testing requirements of this Permit (see APPENDIX B) have been fulfilled and the records submitted to the Director; mechanical integrity pursuant to 40 CFR 146.8 and Part II Section B of this Permit has been demonstrated; and

(i) The Director has inspected or otherwise reviewed the new injection well and finds it is in compliance with the conditions of the Permit; or

(ii) The Permittee has not received notice from the Director of his or her intent to inspect or otherwise review the new injection well within 13 days of the date of the notice in Paragraph 1a, in which case prior inspection or review is waived and the Permittee may commence injection.

2. Injection Interval.

Injection is permitted only within the approved injection interval, listed in APPENDIX C. Additional individual injection perforations may be added provided that they remain within the approved injection interval and the Permittee provides notice to the Director in accordance with Part II, Section A, Paragraph 6.

3. Injection Pressure Limitation

(a) The permitted Maximum Allowable Injection Pressure (MAIP), measured at the wellhead, is found in APPENDIX C. Injection pressure shall not exceed the amount the Director determines is appropriate to ensure that injection does not initiate new fractures or propagate existing fractures in the confining zone adjacent to USDWs. In no case shall injection pressure cause the movement of injection or formation fluids into a USDW.

(b) The Permittee may request a change of the MAIP, or the MAIP may be increased or decreased by the Director in order to ensure that the requirements in Paragraph (a) above are fulfilled. The Permitee may be required to conduct a step rate injection test or other suitable test to provide information for determining the fracture pressure of the injection zone. Change of the permitted MAIP by the Director shall be by modification of this Permit and APPENDIX C.

4. Injection Volume Limitation.

Injection volume is limited to the total volume specified in APPENDIX C.

5. Injection Fluid Limitation.

Injected fluids are limited to those identified in 40 CFR 144.6(b)(2) as fluids used for enhanced recovery of oil or natural gas, including those which are brought to the surface in connection with conventional oil or natural gas production that may be commingled with waste waters from gas plants which are an integral part of production operations unless those waters are classified as a hazardous waste at the time of injection, pursuant to 40 CFR 144.6(b). Non-exempt wastes, including unused fracturing fluids or acids, gas plant cooling tower cleaning wastes, service wastes and vacuum truck wastes, are NOT approved for injection. This well is NOT approved for commercial brine injection, industrial waste fluid disposal or injection of hazardous waste as defined by CFR 40 Part 261. The Permittee shall provide a listing of the sources of injected fluids in accordance with the reporting requirements in Part II Section D Paragraph 4 and APPENDIX D of this Permit.

6. Tubing-Casing Annulus (TCA)

The tubing-casing annulus (TCA) shall be filled with water treated with a corrosion inhibitor, or other fluid approved by the Director. The TCA valve shall remain closed during normal operating conditions and the TCA pressure shall be maintained at zero (0) psi.

If TCA pressure cannot be maintained at zero (0) psi, the Permittee shall follow the procedures in Ground Water Section Guidance No. 35 "Procedures to follow when excessive annular pressure is observed on a well."

Section D. MONITORING, RECORDKEEPING, AND REPORTING OF RESULTS

1. Monitoring Parameters, Frequency, Records and Reports.

Monitoring parameters are specified in APPENDIX D. Pressure monitoring recordings shall be taken at the wellhead. The listed parameters are to be monitored, recorded and reported at the frequency indicated in APPENDIX D even during periods when the well is not operating.

Monitoring records must include:

(a) the date, time, exact place and the results of the observation, sampling, measurement, or analysis, and;

(b) the name of the individual(s) who performed the observation, sampling, measurement, or analysis, and;

(c) the analytical techniques or methods used for analysis.

2. Monitoring Methods.

(a) Monitoring observations, measurements, samples, etc. taken for the purpose of complying with these requirements shall be representative of the activity or condition being monitored.

(b) Methods used to monitor the nature of the injected fluids must comply with analytical methods cited and described in Table 1 of 40 CFR 136.3 or Appendix III of 40 CFR 261, or by other methods that have been approved in writing by the Director.

(c) Injection pressure, annulus pressure, injection rate, and cumulative injected volumes shall be observed and recorded at the wellhead under normal operating conditions, and all parameters shall be observed simultaneously to provide a clear depiction of well operation.

(d) Pressures are to be measured in pounds per square inch (psi).

(e) Fluid volumes are to be measured in standard oil field barrels (bbl).

(f) Fluid rates are to be measured in barrels per day (bbl/day).

3. Records Retention.

(a) Records of calibration and maintenance, and all original strip chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for this permit shall be retained for a period of AT LEAST THREE (3) YEARS from the date of the sample, measurement, report, or application. This period may be extended anytime prior to its expiration by request of the Director.

(b) Records of the nature and composition of all injected fluids must be retained until three (3) years after the completion of any plugging and abandonment (P&A) procedures specified under 40 CFR 144.52(a)(6) or under Part 146 Subpart G, as appropriate. The Director may require the Permittee to deliver the records to the Director at the conclusion of the retention period. The Permittee shall continue to retain the records after the three (3) year retention period unless the Permittee delivers the records to the Director or obtains written approval from the Director to discard the records.

4. Annual Reports.

Whether the well is operating or not, the Permittee shall submit an Annual Report to the Director that summarizes the results of the monitoring required by Part II Section D and APPENDIX D.

The first Annual Report shall cover the period from the effective date of the Permit through December 31 of that year. Subsequent Annual Reports shall cover the period from January 1 through December 31 of the reporting year. Annual Reports shall be submitted by February 15 of the year following data collection. EPA Form 7520-11 may be copied and shall be used to submit the Annual Report, however, the monitoring requirements specified in this Permit are mandatory even if EPA Form 7520-11 indicates otherwise.

Section E. PLUGGING AND ABANDONMENT

1. Notification of Well Abandonment, Conversion or Closure.

The Permittee shall notify the Director in writing at least forty-five (45) days prior to: 1) plugging and abandoning an injection well, 2) converting to a non-injection well, and 3) in the case of an Area Permit, before closure of the project.

2. Well Plugging Requirements

Prior to abandonment, the injection well shall be plugged with cement in a manner which isolates the injection zone and prevents the movement of fluids into or between underground sources of drinking water, and in accordance with 40 CFR 146.10 and other applicable Federal, State or local law or regulations. Tubing, packer and other downhole apparatus shall be removed. Cement with additives such as accelerators and retarders that control or enhance cement properties may be used for plugs; however, volume-extending additives and gel cements are not approved for plug use. Plug placement shall be verified by tagging. Plugging gel of at least 9.6 lb/gal shall be placed between all plugs. A minimum 50 ft surface plug shall be set inside and outside of the surface casing to seal pathways for fluid migration into the subsurface. The Plugging Record must be certified as accurate and complete by the person responsible for the plugging operation. Prior to placement of the cement plug(s) the well shall be in a state of static equilibrium with the mud weight equalized top to bottom, either by circulating the mud in the well at least once or by a comparable method prescribed by the Director.

3. Approved Plugging and Abandonment Plan.

The approved plugging and abandonment plan is incorporated into this Permit as APPENDIX E. Changes to the approved plugging and abandonment plan must be approved by the Director prior to beginning plugging operations. The Director also may require revision of the approved plugging and abandonment plan at any time prior to plugging the well.

4. Forty Five (45) Day Notice of Plugging and Abandonment.

The Permittee shall notify the Director at least forty-five (45) days prior to plugging and abandoning a well and provide notice of any anticipated change to the approved plugging and abanonment plan.

5. Plugging and Abandonment Report.

Within sixty (60) days after plugging a well, the Permittee shall submit a report (EPA Form 7520-13) to the Director. The plugging report shall be certified as accurate by the person who performed the plugging operation. Such report shall consist of either:

(a) A statement that the well was plugged in accordance with the approved plugging and abandonment plan; or

(b) Where actual plugging differed from the approved plugging and abandonment plan, an updated version of the plan, on the form supplied by the Director, specifying the differences.

6. Inactive Wells.

After any period of two years during which there is no injection the Permittee shall plug and abandon the well in accordance with Part II Section E Paragraph 2 of this Permit unless the Permittee:

(a) Provides written notice to the Director;

(b) Describes the actions or procedures the Permittee will take to ensure that the well will not endanger USDWs during the period of inactivity. These actions and procedures shall include compliance with mechanical integrity demonstration, Financial Responsibility and all other permit requirements designed to protect USDWs; and

(c) Receives written notice by the Director temporarily waiving plugging and abandonment requirements.

PART III. CONDITIONS APPLICABLE TO ALL PERMITS

Section A. EFFECT OF PERMIT

The Permittee is allowed to engage in underground injection in accordance with the conditions of this Permit. The Permittee shall not construct, operate, maintain, convert, plug, abandon, or conduct any other activity in a manner that allows the movement of fluid containing any contaminant into underground sources of drinking water, if the presence of that contaminant may cause a violation of any primary drinking water regulation under 40 CFR 142 or may otherwise adversely affect the health of persons. Any underground injection activity not authorized by this Permit or by rule is prohibited. Issuance of this Permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any injury to persons or property, any invasion of other private rights, or any infringement of any other Federal, State or local law or regulations. Compliance with the terms of this Permit does not constitute a defense to any enforcement action brought under the provisions of Section 1431 of the Safe Drinking Water Act (SDWA) or any other law governing protection of public health or the environment, for any imminent and substantial endangerment to human health or the environment, nor does it serve as a shield to the Permittee's independent obligation to comply with all UIC regulations. Nothing in this Permit relieves the Permittee of any duties under applicable regulations.

Section B. CHANGES TO PERMIT CONDITIONS

1. Modification, Reissuance, or Termination.

The Director may, for cause or upon a request from the Permittee, modify, revoke and reissue, or terminate this Permit in accordance with 40 CFR 124.5, 144.12, 144.39, and 144.40. Also, this Permit is subject to minor modification for causes as specified in 40 CFR 144.41. The filing of a request for modification, revocation and reissuance, termination, or the notification of planned changes or anticipated noncompliance on the part of the Permittee does not stay the applicability or enforceability of any condition of this Permit.

2. Conversions.

The Director may, for cause or upon a written request from the Permittee, allow conversion of the well from a Class II injection well to a non-Class II well. Conversion may not proceed until the Permittee receives written approval from the Director. Conditions of such conversion may include but are not limited to, approval of the proposed well rework, follow up demonstration of mechanical integrity, well-specific monitoring and reporting following the conversion, and demonstration of practical use of the converted configuration.

3. Transfer of Permit.

Under 40 CFR 144.38, this Permit is transferable provided the current Permittee notifies the Director at least thirty (30) days in advance of the proposed transfer date (EPA Form 7520-7) and provides a written agreement between the existing and new Permittees containing a specific date for transfer of Permit responsibility, coverage and liability between them. The notice shall adequately demonstrate that the financial responsibility requirements of 40 CFR 144.52(a)(7) will be met by the new Permittee. The Director may require modification or revocation and reissuance of the Permit to change the name of the Permittee and incorporate such other requirements as may be necessary under the Safe Drinking Water Act; in some cases, modification or revocation and reissuance is mandatory.

4. Permittee Change of Address.

Upon the Permittee's change of address, or whenever the operator changes the address where monitoring records are kept, the Permittee must provide written notice to the Director within 30 days.

5. Construction Changes, Workovers, Logging and Testing Data

The Permittee shall give advance notice to the Director, and shall obtain the Director's written approval prior to any physical alterations or additions to the permitted facility. Alterations or workovers shall meet all conditions as set forth in this permit. The Permittee shall record any changes to the well construction on a Well Rework Record (EPA Form 7520-12), and shall provide this and any other record of well workovers, logging , or test data to EPA within sixty (60) days of completion of the activity.

Following the completion of any well workovers or alterations which affect the casing, tubing, or packer, a successful demonstration of mechanical integrity (Part III, Section F of this Permit) shall be made, and written authorization from the Director received, prior to resuming injection activities.

Section C. SEVERABILITY

The Provisions of this Permit are severable, and if any provision of this Permit or the application of any provision of this Permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this Permit shall not be affected thereby.

Section D. CONFIDENTIALITY

In accordance with 40 CFR Part 2 and 40 CFR 144.5, information submitted to EPA pursuant to this Permit may be claimed as confidential by the submitter. Any such claim must be asserted at the time of submission by stamping the words "confidential business information" on each page containing such information. If no claim is made at the time of submission, EPA may make the information available to the public without further notice. If a claim is asserted, the validity of the claim will be assessed in accordance with the procedures in 40 CFR Part 2 (Public Information). Claims of confidentiality for the following information will be denied:

- The name and address of the Permittee, and
- information which deals with the existence, absence or level of contaminants in drinking water.

Section E. GENERAL PERMIT REQUIREMENTS

1. Duty to Comply.

The Permittee must comply with all conditions of this Permit. Any noncompliance constitutes a violation of the Safe Drinking Water Act (SDWA) and is grounds for enforcement action; for Permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application; except that the Permittee need not comply with the provisions of this Permit to the extent and for the duration such noncompliance is authorized in an emergency permit under 40 CFR 144.34. All violations of the SDWA may subject the Permittee to penalties and/or criminal prosecution as specified in Section 1423 of the SDWA.

2. Duty to Reapply.

If the Permittee wishes to continue an activity regulated by this Permit after the expiration date of this Permit, under 40 CFR 144.37 the Permittee must apply for a new permit prior to the expiration date.

3. Need to Halt or Reduce Activity Not a Defense.

It shall not be a defense for a Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this Permit.

4. Duty to Mitigate.

The Permittee shall take all reasonable steps to minimize or correct any adverse impact on the environment resulting from noncompliance with this Permit.

5. Proper Operation and Maintenance.

The Permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the Permittee to achieve compliance with the conditions of this Permit. Proper operation and maintenance includes effective performance, adequate funding, adequate operator staffing and training, and adequate laboratory and process controls, including appropriate quality assurance procedures. This provision requires the operation of back-up or auxiliary facilities or similar systems only when necessary to achieve compliance with the conditions of this Permit.

6. Permit Actions.

This Permit may be modified, revoked and reissued or teminated for cause. The filing of a request by the Permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition.

7. Property Rights.

This Permit does not convey any property rights of any sort, or any exclusive privilege.

8. Duty to Provide Information.

The Permittee shall furnish to the Director, within a time specified, any information which the Director may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The Permittee shall also furnish to the Director, upon request, copies of records required to be kept by this Permit. The Permittee is required to submit any information required by this Permit or by the Director to the mailing address designated in writing by the Director.

9. Inspection and Entry.

The Permittee shall allow the Director, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:

(a) Enter upon the Permittee's premises where a regulated facility or activity is located or conducted, or where records must be kept under the conditions of this Permit;

(b) Have access to and copy, at reasonable times, any records that must be kept under the conditions of this Permit;

(c) Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this Permit; and,

(d) Sample or monitor at reasonable times, for the purpose of assuring permit compliance or as otherwise authorized by the SDWA, any substances or parameters at any location.

10. Signatory Requirements.

All applications, reports or other information submitted to the Director shall be signed and certified according to 40 CFR 144.32. This section explains the requirements for persons duly authorized to sign documents, and provides wording for required certification.

11. Reporting Requirements.

(a) Planned changes. The Permittee shall give notice to the Director as soon as possible of any planned changes, physical alterations or additions to the permitted facility, and prior to commencing such changes.

(b) Anticipated noncompliance. The Permittee shall give advance notice to the Director of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.

(c) Monitoring Reports. Monitoring results shall be reported at the intervals specified in this Permit.

(d) Compliance schedules. Reports of compliance or noncompliance with, or any progress reports on, interim and final requirements contained in any compliance schedule of this Permit shall be submitted no later than 30 days following each schedule date.

(e) Twenty-four hour reporting. The Permittee shall report to the Director any noncompliance which may endanger human health or the environment, including:

(i) Any monitoring or other information which indicates that any contaminant may cause endangerment to a USDW; or

(ii) Any noncompliance with a permit condition or malfunction of the injection system which may cause fluid migration into or between USDWs.

Information shall be provided, either directly or by leaving a message, within twenty-four (24) hours from the time the permittee becomes aware of the circumstances by telephoning (800) 227-8917 and requesting EPA Region VIII UIC Program Compliance and Technical Enforcement Director, or by contacting the EPA Region VIII Emergency Operations Center at (303) 293-1788.

In addition, a follow up written report shall be provided to the Director within five (5) days of the time the Permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause, the period of noncompliance including exact dates and times, and if the noncompliance has not been corrected the anticipated time it is expected to continue; and the steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance.

(f) Oil Spill and Chemical Release Reporting: The Permittee shall comply with all reporting requirements related to the occurence of oil spills and chemical releases by contacting the National Response Center (NRC) at (800) 424-8802, (202) 267-2675, or through the NRC website http://www.nrc.uscg.mil/index.htm.

(g) Other Noncompliance. The Permittee shall report all instances of noncompliance not reported under paragraphs Part III, Section E Paragraph 11(b) or Section E, Paragraph 11(e) at the time the monitoring reports are submitted. The reports shall contain the information listed in Paragraph 11(e) of this Section.

(h) Other information. Where the Permittee becomes aware that it failed to submit any relevant facts in the permit application, or submitted incorrect information in a permit application or in any report to the Director, the Permittee shall promptly submit such facts or information to the Director.

Section F. FINANCIAL RESPONSIBILITY

1. Method of Providing Financial Responsibility.

The Permittee shall maintain continuous compliance with the requirement to maintain financial responsibility and resources to close, plug, and abandon the underground injection well(s). No substitution of a demonstration of financial responsibility shall become effective until the Permittee receives written notification from the Director that the alternative demonstration of financial responsibility is acceptable. The Director may, on a periodic basis, require the holder of a permit to revise the estimate of the resources needed to plug and abandon the well to reflect changes in such costs and may require the Permittee to provide a revised demonstration of financial responsibility.

2. Insolvency.

In the event of:

(a) the bankruptcy of the trustee or issuing institution of the financial mechanism; or

(b) suspension or revocation of the authority of the trustee institution to act as trustee; or

(c) the institution issuing the financial mechanism losing its authority to issue such an instrument

the Permittee must notify the Director in writing, within ten (10) business days, and the Permittee must establish other financial assurance or liability coverage acceptable to the Director within sixty (60) days after any event specified in (a), (b), or (c) above.

The Permittee must also notify the Director by certified mail of the commencement of voluntary or involuntary proceedings under Title 11 (Bankruptcy), U.S. Code naming the owner or operator as debtor, within ten (10) business days after the commencement of the proceeding. A guarantor, if named as debtor of a corporate guarantee, must make such a notification as required under the terms of the guarantee.

STATEMENT OF BASIS

NEWFIELD PRODUCTION COMPANY
FEDERAL 3-18-9-18
UINTAH COUNTY, UT

EPA PERMIT NO. UT21155-07854

CONTACT: Jason Deardorff
U. S. Environmental Protection Agency
Ground Water Program, 8P-W-GW
1595 Wynkoop Street
Denver, Colorado 80202-1129
Telephone: 1-800-227-8917 ext. 312-6583

This STATEMENT OF BASIS gives the derivation of site-specific UIC Permit conditions and reasons for them. Referenced sections and conditions correspond to sections and conditions in the Permit.

EPA UIC permits regulate the injection of fluids into underground injection wells so that the injection does not endanger underground sources of drinking water. EPA UIC permit conditions are based upon the authorities set forth in regulatory provisions at 40 CFR Parts 144 and 146, and address potential impacts to underground sources of drinking water. Under 40 CFR 144.35 Issuance of this permit does not convey any property rights of any sort or any exclusive privilege, nor authorize injury to persons or property of invasion of other private rights, or any infringement of other Federal, State or local laws or regulations. Under 40 CFR 144 Subpart D, certain conditions apply to all UIC Permits and may be incorporated either expressly or by reference. General Permit conditions for which the content is mandatory and not subject to site-specific differences (40 CFR Parts 144, 146 and 147) are not discussed in this document.

Upon the Effective Date when issued, the Permit authorizes the construction and operation of injection wells so that the injection does not endanger underground sources of drinking water, governed by the conditions specified in the Permit. The Permit is issued for the operating life of the injection well or project unless terminated for reasonable cause under 40 CFR 144.39, 144.40 and 144.41. The Permit is subject to EPA review at least once every five (5) years to determine if action is required under 40 CFR 144.36(a).

PART I. General Information and Description of Facility

Newfield Production Company
1001 Seventeenth Street, Suite 2000
Denver, CO 80202

on

June 25, 2007

submitted an application for an Underground Injection Control (UIC) Program Permit or Permit Modification for the following injection well or wells:

Federal 3-18-9-18
660'FNL; 1980'FWL., NENW S18, T9S, R18E
Uintah County, UT

Regulations specific to Uintah-Ouray Indian Reservation injection wells are found at 40 CFR 147 Subpart TT.

The application, including the required information and data necessary to issue or modify a UIC Permit in accordance with 40 CFR Parts 144, 146 and 147, was reviewed and determined by EPA to be complete.

The Permit will expire upon delegation of primary enforcement responsibility (primacy) for applicable portions of the UIC Program to the Ute Indian Tribe or the State of Utah unless the delegated agency has the authority and chooses to adopt and enforce this Permit as a Tribal or State Permit.

TABLE 1.1 shows the status of the well or wells as "New", "Existing", or "Conversion" and for Existing shows the original date of injection operation. Well authorization "by rule" under 40 CFR Part 144 Subpart C expires automatically on the Effective Date of an issued UIC Permit.

The Federal No. 3-18-9-18 is a Green River Formation (Douglas Creek Member) production well. It is the initial intent of the applicant to move the packer from its current depth of 5383 feet (KB depth) to a depth of 4711 feet (KB depth) for well conversion from production to injection of brine for Class II enhanced recovery.

TABLE 1.1

WELL STATUS / DATE OF OPERATION

NEW WELLS

Well Name	Well Status	Date of Operation
Federal 3-18-9-18	New	N/A

PART II. Permit Considerations (40 CFR 146.24)

Hydrogeologic Setting

Water wells for domestic supply in this area, when present, generally are completed into the shallow alluvium, the Duchesne River Formation, or the underlying Uinta Formation, and the water generally contains approximately 500 to 1,500 mg/L and higher total dissolved solids.

The Uinta-Animas aquifer in the Uinta Basin is present in water-yielding beds of sandstone, conglomerate, and siltstone of the Duchesne River and Uinta Formations, the Renegade Tongue of the Wasatch Formation, and the Douglas Creek Member of the Green River Formation. The Renegade Tongue of the Wasatch Formation and the Douglas Creek Member of the Green River Formation contain an aquifer along the southern and eastern margins of the basin where the rocks primarily consist of fluvial, massive, irregularly bedded sandstone and siltstone. Water-yielding units in the Uinta-Animas aquifer in the Uinta Basin commonly are separated from each other and from the underlying Mesaverde aquifer by units of low permeability composed of claystone, shale, marlstone, or limestone. In the Uinta Basin, for example, the part of the aquifer in the Duchesne River and Uinta Formations ranges in thickness from 0 feet at the southern margin of the aquifer to as much as 9,000 feet in the north-central part of the aquifer. Ground-water recharge to the Uinta-Animas aquifer generally occurs in the areas of higher altitude along the margins of the basin. Ground water is discharged mainly to streams, springs, and by transpiration from vegetation growing along stream valleys. The rate of groundwater withdrawal is small, and natural discharge is approximately equal to recharge. Recharge occurs near the southern margin of the aquifer, and discharge occurs near the White and Green Rivers (from USGS publication HA 730-C). Water samples from Mesaverde sands in the nearby Natural Buttes Unit yielded highly saline water.

Geologic Setting (TABLE 2.1)

The proposed enhanced oil recovery injection well is located in the Eight Mile North Flat Field, which is part of the Greater Monument Butte Field, T7-9S and R15-19E, which lies near the center of the broad, gently northward dipping south flank of the Uinta Basin. More than 450 million barrels of oil (63 MT) have been produced from sediments of the Uinta Basin. The Uinta Basin is a topographic and structural trough encompassing an area of more than 9300 square mi (14,900 km) in northeast Utah. The basin is sharply asymmetrical, with a steep north flank bounded by the east-west-trending Uinta Mountains, and a gently dipping south flank. The Uinta Basin was formed in Paleocene to Eocene time, creating a large area of internal drainage which was filled by the ancestral Lake Uinta. The lacustrine, or fresh water lake-formed, sediments deposited in and around Lake Uinta make up the Uintah and Green River Formations. The southern shore of Lake Uinta was very broad and flat, resulting in large cyclic shifts of the location of the shoreline during the many repeated transgressive and regressive cycles caused by the climatic and tectonic-induced rise and fall of water levels of the lake. Distributary-mouth bars, distributary channels, and near-shore bars are the primary oil producing sandstone reservoirs in the area. (Ref: "Reservoir Characterization of the Lower Green River Formation, Southwest Uinta Basin, Utah Biannual Technical Progress Report, 4/1/99-9/30/99", by C. D. Morgan, Program Manager, November 1999, Contract DE-AC26-98BC15103).

The Duchesne River Formation is absent in this area. Shale and siltstone of the Uintah Formation outcrop and compose the surface rock throughout the area. The lower 600 feet to 800 feet of the Uinta Formation, consisting generally of shale interbedded with occasionally water-bearing sandstone lenses between 5 feet to 20 feet thick, is underlain by the Green River Formation. The

Green River Formation is further subdivided into several Member and local marker units. The cyclic nature of Green River deposition in the southern shore area resulted in numerous stacked, intertonguing deltaic and near-shore sand and silt deposits. Red alluvial shale and siltstone deposits that intertongue with the Green River sediments are of the Colton and Wasatch Formations. Under the Wasatch Formation is the Mesaverde Formation, which consists primarily of continental-origin deposits of interbedded shale, sandstone, and coal.

The geologic dip is about 200 feet per mile, and there are no known surface faults in this area. Veins of gilsonite, a natural resinous hydrocarbon occasionally mined as a resource, occurs in the greater Uintah Basin though it is predominantly found on the eastern margin of the basin near the Colorado border. Vertical veins, generally between 2 ft to 6 ft wide but up to 28 ft wide, may extend many miles in length and occasionally extend as deep as 2000 ft. In this area within the Greater Monument Butte Field there is one known gilsonite vein. This vein is not considered to present a pathway for migration of fluid out of the injection zone because it terminates at depth of about 2000 ft, far above the protective confining layer and much deeper injection zone. Newfield and the owner of this former gilsonite mine have agreed to conditions for operation near this vein to ensure no potential for impact to this vein or to ground water from enhanced oil recovery operations.

TABLE 2.1
GEOLOGIC SETTING
Federal 3-18-9-18

Formation Name	Top (ft)	Base (ft)	TDS (mg/l)	Lithology
Uinta: USDW	12	502	< 10,000	Sand and shale.
Uinta	502	1,275		Interbedded lacustrine sand, shale and carbonate with fluvial sand and shale.
Green River	1,275	2,700		Interbedded lacustrine sand, shale and carbonate with fluvial sand and shale.
Green River: Trona	2,700	2,715		Evaporite
Green River: Mahogany Bench	2,715	2,750		Oil shale
Green River: Upper Shale Member	3,305	3,505		Shale.
Green River: Garden Gulch Member	3,505	4,450	26,088	Interbedded lacustrine sand, shale and carbonate with fluvial sand and shale.
Green River: Douglas Creek Member	4,450	5,500	26,088	Interbedded lacustrine sand, shale and carbonate with fluvial sand and shale.

Proposed Injection Zone(s) (TABLE 2.2)

An injection zone is a geological formation, group of formations, or part of a formation that receives fluids through a well. The proposed injection zones are listed in TABLE 2.2.

Injection will occur into an injection zone that is separated from USDWs by a confining zone which is free of known open faults or fractures within the Area of Review.

The EPA approved interval for Class II enhanced recovery injection is located between the top of the Garden Gulch Member of the Green River Formation (3505 feet KB depth) and the top of the Wasatch Formation estimated to be at 5675 feet (KB depth).

TABLE 2.2
INJECTION ZONES
Federal 3-18-9-18

Formation Name	Top (ft)	Base (ft)	TDS (mg/l)	Fracture Gradient (psi/ft)	Porosity	Exempted?*
Green River	4,450	5,500	26,088	0.690		N/A

* **C - Currently Exempted**
E - Previously Exempted
P - Proposed Exemption
N/A - Not Applicable

Confining Zone(s) (TABLE 2.3)

A confining zone is a geological formation, part of a formation, or a group of formations that limits fluid movement above the injection zone. The confining zone or zones are listed in TABLE 2.3.

The 200-foot (3305 - 3505 feet) shale Confining Zone overlies the top of the Garden Gulch Member.

TABLE 2.3
CONFINING ZONES
Federal 3-18-9-18

Formation Name	Formation Lithology	Top (ft)	Base (ft)
Green River Shale	Shale.	3,305	3,505

Underground Sources of Drinking Water (USDWs) (TABLE 2.4)

Aquifers or the portions thereof which contain less than 10,000 mg/l total dissolved solids (TDS) and are being or could in the future be used as a source of drinking water are considered to be USDWs. The USDWs in the area of this facility are identified in TABLE 2.4.

Throughout the Greater Monument Butte Field area undergoing enhanced oil recovery operations, water analyses of the Green River Formation generally exhibit total dissolved solids (TDS) content well in excess of 10,000 mg/l. However, some recent water analyses from the field showed lower TDS values closer to 10,000 mg/l. While rain and surface water recharge into Green River Formation outcrops further south along the Book Cliffs/Roan Cliffs in effect "freshens" the Green River Formation water near those outcrops, in this area of the Monument Butte Field the observed occasional 'freshening' is ascribed to the effective dilution of the originally in-place high TDS water from injection of relatively fresh water for enhanced oil recovery operations. Water samples from deeper Mesaverde Formation sands in the nearby Natural Buttes Unit yield highly saline water.

The State of Utah Division of Water Rights identifies no public water supply wells within the one-quarter (1/4) mile Area-of-Review (AOR) around the Federal No. 3-18-9-18.

Technical Publication No. 92: State of Utah, Department of Natural Resources, cites the base of Underground Sources of Drinking Water (USDW) in the Uinta Formation approximately 502 feet from the surface. However, absent definitive information relative to the water quality of the Uinta Formation, from the depth of 502 feet to the base of the Uinta Formation (2700 feet), the EPA will require, during plugging and abandonment, a cement plug at the base of the Uinta Formation to protect contamination of possible Uinta USDWs.

TABLE 2.4

UNDERGROUND SOURCES OF DRINKING WATER (USDW)

Federal 3-18-9-18

Formation Name	Formation Lithology	Top (ft)	Base (ft)	TDS (mg/l)
Uinta	Sand and shale.	12	502	< 10,000

PART III. Well Construction (40 CFR 146.22)

The Federal No. 3-18-9-18 was drilled to a total depth of 5750 feet (KB) in the Douglas Creek Member of the Green River Formation.

Surface casing (8-5/8 inch) was set at a depth of 315.47 feet in a 12-1/4 inch hole using 160 sacks of Class "G" cement which was circulated to the surface.

Production casing (5-1/2 inch) was set at a depth of 5750 feet (KB) in a 7-7/8 inch hole with 310 sacks of Premium Lite II mixed and 420 sacks of 50/50 POZ. This well construction is considered adequate to protect USDWs.

The EPA calculates the top of cement at 1019 feet from the surface. The Cement Bond Log (CBL) identifies top of cement at 130 feet. CBL analysis determined an 80% or greater cement bond along the entire 200 feet of Confining Zone.

The schematic diagram shows proposed enhanced recovery injection perforations in the Douglas Creek Member of the Green River Formation. Additional perforations may be added at a later time between the depths of 3505 feet (KB depth) and the top of the Wasatch Formation (Estimated to be 5675 feet) provided the operator first notifies the Director and later submits an updated well completion report (EPA Form 7520-12) and schematic diagram.

The packer will be set no higher than 100 feet above the top perforation.

TABLE 3.1
WELL CONSTRUCTION REQUIREMENTS
Federal 3-18-9-18

Casing Type	Hole Size (in)	Casing Size (in)	Cased Interval (ft)	Cemented Interval (ft)
Surface	12.25	8.63	12 - 303	12 - 303
Production	7.88	5.50	3,303 - 5,563	130 - 5,565

The approved well completion plan will be incorporated into the Permit as APPENDIX A and will be binding on the Permittee. Modification of the approved plan is allowed under 40 CFR 144.52(a)(1) provided written approval is obtained from the Director prior to actual modification.

Casing and Cementing (TABLE 3.1)

The well construction plan was evaluated and determined to be in conformance with standard practices and guidelines that ensure well injection does not result in the movement of fluids into USDWs. Well construction details for this "new" injection well is shown in TABLE 3.1.

Remedial cementing may be required if the casing cement is shown to be inadequate by cement bond log or other demonstration of Part II (External) mechanical integrity.

Tubing and Packer

Injection tubing is required to be installed from a packer up to the surface inside the well casing. The packer will be set above the uppermost perforation. The tubing and packer are designed to prevent injection fluid from coming into contact with the outermost casing.

Tubing-Casing Annulus (TCA)

The TCA allows the casing, tubing and packer to be pressure-tested periodically for mechanical integrity, and will allow for detection of leaks. The TCA will be filled with fresh water treated with a corrosion inhibitor or other fluid approved by the Director.

The tubing-casing annulus must be kept closed at all times so that it can be monitored as required under conditions of the Permit.

Monitoring Devices

The permittee will be required to install and maintain wellhead equipment that allows for monitoring pressures and providing access for sampling the injected fluid. Required equipment may include but is not limited to: 1) shut-off valves located at the wellhead on the injection tubing and on the TCA; 2) a flow meter that measures the cumulative volume of injected fluid; 3) fittings or pressure gauges attached to the injection tubing and the TCA for monitoring the injection and TCA pressure; and 4) a tap on the injection line, isolated by shut-off valves, for sampling the injected fluid.

All sampling and measurement taken for monitoring must be representative of the monitored activity.

PART IV. Area of Review, Corrective Action Plan (40 CFR 144.55)

TABLE 4.1
AOR AND CORRECTIVE ACTION

Well Name	Type	Status (Abandoned Y/N)	Total Depth (ft)	TOC Depth (ft)	CAP Required (Y/N)
Federal 4-18-9-18	Other	No	6,181	12	Yes

TABLE 4.1 lists the wells in the Area of Review ("AOR") and shows the well type, operating status, depth, top of casing cement ("TOC") and whether a Corrective Action Plan ("CAP") is required for the well.

Area Of Review
Applicants for Class I, II (other than "existing" wells) or III injection well Permits are required to identify the location of all known wells within the injection well's Area of Review (AOR) which penetrate the injection zone, or in the case of Class II wells operating over the fracture pressure of the formation, all known wells within the area of review that penetrate formations which may be affected by increased pressure. Under 40 CFR 146.6 the AOR may be a fixed radius of not less than one quarter (1/4) mile or a calculated zone of endangering influence. For Area Permits, a fixed width of not less than one quarter (1/4) mile for the circumscribing area may be used.

Corrective Action Plan
For wells in the AOR which are improperly sealed, completed, or abandoned, the applicant shall develop a Corrective Action Plan (CAP) consisting of the steps or modifications that are necessary to prevent movement of fluid into USDWs.

The CAP will be incorporated into the Permit as APPENDIX F and become binding on the permittee.

PART V. Well Operation Requirements (40 CFR 146.23)

TABLE 5.1
INJECTION ZONE PRESSURES
Federal 3-18-9-18

Formation Name	Depth Used to Calculate MAIP (ft)	Fracture Gradient (psi/ft)	Initial MAIP (psi)
Green River	4,746	0.690	1,185

Approved Injection Fluid
The approved injection fluid is limited to Class II injection well fluids pursuant to 40 CFR § 144.6(b). For disposal wells injecting water brought to the surface in connection with natural gas storage operations, or conventional oil or natural gas production, the fluid may be commingled and

the well used to inject other Class II wastes such as drilling fluids and spent well completion, treatment and stimulation fluid. Injection of non-exempt wastes, including unused fracturing fluids or acids, gas plant cooling tower cleaning wastes, service wastes, and vacuum truck and drum rinsate from trucks and drums transporting or containing non-exempt waste, is prohibited.

The proposed injectate will be a blend of drinking-quality water from the Johnson Water District supply line and/or water from the Green River supply line, as well as Green River Formation water from wells proximate to the Federal No. 3-18-9-18 and mixed at the Beluga Injection Facility.

Injection Pressure Limitation

Injection pressure, measured at the wellhead, shall not exceed a maximum calculated to assure that the pressure used during injection does not initiate new fractures or propagate existing fractures in the confining zones adjacent to the USDWs.

Please note that EPA made minor corrections to Appendix B of the Draft Permit to remove unnecessary testing requirements related to the MAIP.

The applicant submitted injection fluid density and injection zone data which was used to calculate a formation fracture pressure and to determine the maximum allowable injection pressure (MAIP), as measured at the surface, for this Permit.

TABLE 5.1 lists the fracture gradient for the injection zone and the approved MAIP, determined according to the following formula:

$$FP = [fg - (0.433 * sg)] * d$$

FP = formation fracture pressure (measured at surface)
fg = fracture gradient (from submitted data or tests)
sg = specific gravity (of injected fluid)
d = depth to top of injection zone (or top perforation)

Injection Volume Limitation

Cumulative injected fluid volume limits are set to assure that injected fluids remain within the boundary of the exempted area. Cumulative injected fluid volume is limited when injection occurs into an aquifer that has been exempted from protection as a USDW.

There will be no restrictions on the cumulative volume or daily volume of authorized Class II fluid to be injected into the approved Green River Formation Interval. The Permittee shall not exceed the maximum authorized injection pressure.

Mechanical Integrity (40 CFR 146.8)

An injection well has mechanical integrity if:

1. there is no significant leak in the casing, tubing, or packer (Part I); and
2. there is no significant fluid movement into a USDW through vertical channels adjacent to the injection well bore (Part II).

The Permit prohibits injection into a well which lacks mechanical integrity.

The Permit requires that the well demonstrate mechanical integrity prior to injection and periodically thereafter. A demonstration of mechanical integrity includes both internal (Part I) and external (Part II). The methods and frequency for demonstrating Part I and Part II mechanical integrity are dependent upon well-specific conditions as explained below.

Well construction and site-specific conditions dictate the following requirements for Mechanical Integrity (MI) demonstrations:

PART I MI: Internal MI will be demonstrated prior to beginning injection. Because this well is constructed with a standard casing, tubing, and packer configuration, a successful mechanical integrity test (MIT) is required to take place at least once every five (5) years. A demonstration of Part I MI is also required prior to resuming injection following any workover operation that affects the casing, tubing, or packer. Part I MI may be demonstrated by a standard tubing-casing annulus pressure test using the maximum permitted injection pressure or 1000 psi, which ever is less, with a ten (10) percent or less pressure loss over thirty (30) minutes.

PART VI. Monitoring, Recordkeeping and Reporting Requirements

Injection Well Monitoring Program

At least once a year the permittee must analyze a sample of the injected fluid for total dissolved solids (TDS), specific conductivity, pH, and specific gravity. This analysis shall be reported to EPA annually as part of the Annual Report to the Director. Any time a new source of injected fluid is added, a fluid analysis shall be made of the new source.

Instantaneous injection pressure, injection flow rate, cumulative fluid volume and TCA pressures must be observed on a weekly basis. A recording, at least once every thirty (30) days, must be made of the injection pressure, annulus pressure, monthly injection flow rate and cumulative fluid volume. This information is required to be reported annually as part of the Annual Report to the Director.

PART VII. Plugging and Abandonment Requirements (40 CFR 146.10)

Plugging and Abandonment Plan

Prior to abandonment, the well shall be plugged in a manner that isolates the injection zone and prevents movement of fluid into or between USDWs, and in accordance with any applicable Federal, State or local law or regulation. Tubing, packer and other downhole apparatus shall be removed. Cement with additives such as accelerators and retarders that control or enhance cement properties may be used for plugs; however, volume-extending additives and gel cements are not approved for plug use. Plug placement shall be verified by tagging. Plugging gel of at least 9.6 lb/gal shall be placed between all plugs. A minimum 50 ft surface plug shall be set inside and outside of the surface casing to seal pathways for fluid migration into the subsurface. Within sixty (60) days after plugging the owner or operator shall submit Plugging Record (EPA Form 7520 13) to the Director. The Plugging Record must be certified as accurate and complete by the person responsible for the plugging operation. The plugging and abandonment plan is described in Appendix E of the Permit.

The well shall be plugged in a manner that isolates the injection zone and prevents the movement of fluid into or between USDWs and in accordance with other applicable Federal, State or local law or regulation. Tubing, packers, and any downhole apparatus shall be removed. Class A, C, G, and H cements, with additives such as accelerators and retarders that control or enhance cement properties, may be used for plugs. However, volume extending additives and gel cements are not approved for plug use. Plug placement shall be verified by tagging. Plugging gel of at least 9.2 lb/gal shall be placed between all plugs. Within sixty (60) days after plugging, the owner or operator shall submit Plugging Record (EPA Form 7520-13) to the Director. The Plugging Record must be certified as accurate and complete by the person responsible for the plugging operation. At a minimum, the following plugs are required:

PLUG NO. 1: Seal the Injection Zone: Set a cast iron bridge plug (CIBP) no more than 50 feet above the top perforation. Place at least 20 feet of cement plug on top of the CIBP.

PLUG NO. 2: Seal the Mahogany Shale and Trona intervals: Perforate and squeeze a cement plug up the backside of the 5-1/2 inch casing across the Trona Zone and the Mahogany Shale from approximately 2650 to 2800 feet (KB) unless pre-existing backside cement prevents cement-squeezing this interval. Set a minimum 150-foot balanced cement plug inside the 5-1/2 inch casing across the Trona Zone and the Mahogany Shale, approximately 2650 to 2800 feet (KB). Both the cement-squeeze and the plug must extend from a minimum of 50 feet above the top of the Trona-Bird's Nest to a minimum of 50 feet below the base of the Mahogany Shale.

PLUG NO. 3: Seal possible USDWs by isolating the Uinta Formation from the Green River Formation: Perforate and squeeze cement up the backside of the 5-1/2 inch casing from approximately 1225 to 1325 feet (KB) unless pre-existing backside cement prevents cement-squeezing this interval. Set a minimum 100-foot, balanced cement plug inside the 5-1/2 inch casing centered at the contact between the Uinta Formation and the Green River Formation at 1275 feet (KB). Both the cement-squeeze and the plug should extend from a minimum of 50 feet above the contact at 1275 feet (KB) to a minimum of 50 feet below the contact at 1275 feet.

PLUG NO.4: Seal surface casing: Set a Class "G" cement plug within the 5-1/2 inch casing to 552 feet and up the 5-1/2 inch by 8-5/8 inch casings annulus to the surface.

See Schematic Diagram.

PART VIII. Financial Responsibility (40 CFR 144.52)

Financial Statement that has been reviewed and approved by the EPA.

Financial Statement received April 22, 2005.

Demonstration of Financial Responsibility

The permittee is required to maintain financial responsibility and resources to close, plug, and abandon the underground injection operation in a manner prescribed by the Director. The permittee shall show evidence of such financial responsibility to the Director by the submission of a surety bond, or other adequate assurance such as financial statements or other materials acceptable to the Director. The Regional Administrator may, on a periodic basis, require the holder of a lifetime permit to submit a revised estimate of the resources needed to plug and abandon the well to reflect inflation of such costs, and a revised demonstration of financial

responsibility if necessary. Initially, the operator has chosen to demonstrate financial responsibility with:

Financial Statement, received April 22, 2005

Evidence of continuing financial responsibility is required to be submitted to the Director annually.

APPENDIX A

WELL CONSTRUCTION REQUIREMENTS

See diagram.

The Federal No. 3-18-9-18 was drilled to a total depth of 5750 feet (KB) in the Douglas Creek Member of the Green River Formation.

Surface casing (8-5/8 inch) was set at a depth of 315.47 feet in a 12-1/4 inch hole using 160 sacks of Class "G" cement which was circulated to the surface.

Production casing (5-1/2 inch) was set at a depth of 5750 feet (KB) in a 7-7/8 inch hole with 310 sacks of Premium Lite II mixed and 420 sacks of 50/50 POZ. This well construction is considered adequate to protect USDWs.

The EPA calculates the top of cement at 1019 feet from the surface. The Cement Bond Log (CBL) identifies top of cement at 130 feet. CBL analysis determined an 80% or greater cement bond along the entire 200 feet of Confining Zone.

The schematic diagram shows proposed enhanced recovery injection perforations in the Douglas Creek Member of the Green River Formation. Additional perforations may be added at a later time between the depths of 3505 feet (KB depth) and the top of the Wasatch Formation (Estimated to be 5675 feet) provided the operator first notifies the Director and later submits an updated well completion report (EPA Form 7520-12) and schematic diagram.

The packer will be set no higher than 100 feet above the top perforation.

Federal 3-18-9-18

Spud Date: 10-03-05
Put on Production: 11-28-05
GL: 5090' KB: 5102'

Proposed Injection
Wellbore Diagram

Initial Production: BOPD,
MCFD, BWPD

SURFACE CASING

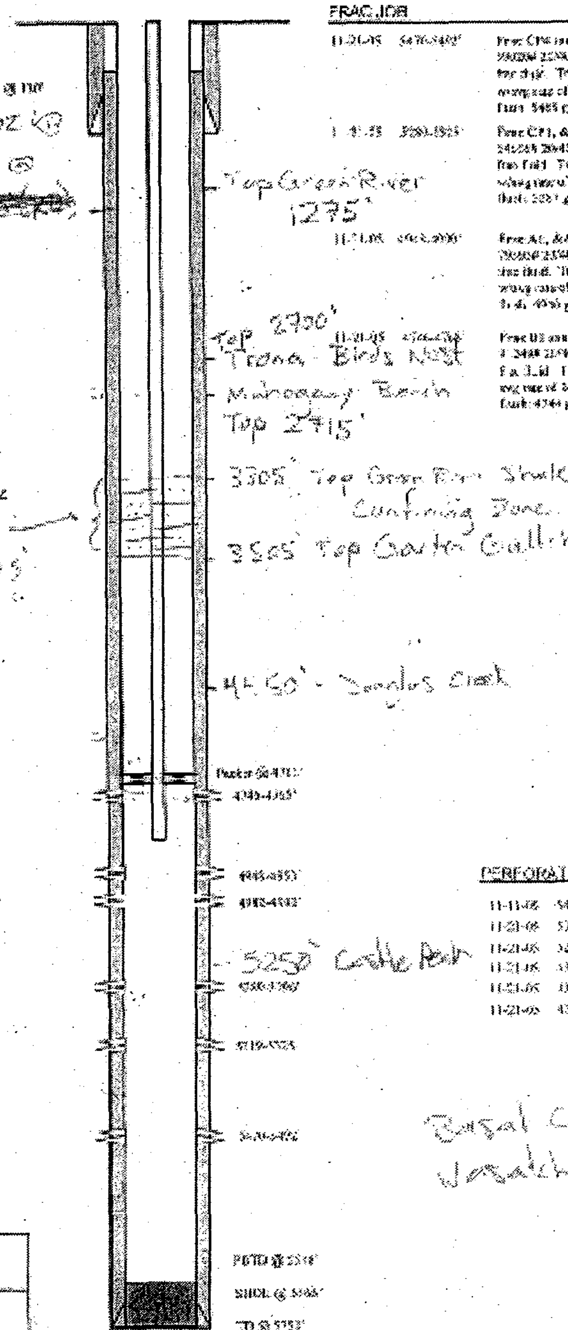
CSG SIZE: 8-5/8"
GRADE: J-55
WEIGHT: 24#
DEPTH LANDED: 315.47' KB
HOLE SIZE: 12-1/4"

PRODUCTION CASING

CSG SIZE: 5-1/2"
WEIGHT: 15.5#
HOLE SIZE: 7-7/8"
CEMENT TOP AT: 33'

TUBING

NO. OF JOINTS: 173 jts



FRAC JOB

PERFORATION RECORD

Basal Carb est @ 5550'
Wasatch est @ 5675'

NEWFIELD
Federal 3-18-9-18
Uintah Co, Utah
API 43-047-

UT21155-07854 well construction.bmp

APPENDIX B

LOGGING AND TESTING REQUIREMENTS

Logs.
Logs will be conducted according to current UIC guidance. It is the responsibility of the Permittee to obtain and use guidance prior to conducting any well logging required as a condition of this permit.

NO LOGGING REQUIREMENTS

Tests.
Tests will be conducted according to current UIC guidance. It is the responsibility of the Permittee to obtain and use guidance prior to conducting any well test required as a condition of this permit.

WELL NAME: Federal 3-18-9-18

TYPE OF TEST	DATE DUE
Pore Pressure	Prior to receiving authorization to begin injection
Standard Annulus Pressure	Prior to receiving authorization to inject and at least once every five (5) years after the last successful demonstration of Part I mechanical integrity

APPENDIX C

OPERATING REQUIREMENTS

MAXIMUM ALLOWABLE INJECTION PRESSURE:

Maximum Allowable Injection Pressure (MAIP) as measured at the surface shall not exceed the pressure(s) listed below.

	MAXIMUM ALLOWED INJECTION PRESSURE (psi)	
WELL NAME	ZONE 1 (Upper)	ZONE 2 (Lower)
Federal 3-18-9-18	1,185	1,185

INJECTION INTERVAL(S):

Injection is permitted only within the approved injection interval listed below. Injection perforations may be altered provided they remain within the approved injection interval and the Permittee provides notice to the Director in accordance with Part II, Section A, Paragraph 6. Specific injection perforations can be found in Appendix A.

WELL NAME: Federal 3-18-9-18

	APPROVED INJECTION INTERVAL (KB, ft)		FRACTURE GRADIENT
FORMATION NAME	TOP	BOTTOM	(psi/ft)
Green River	4,450.00	5,500.00	0.690

ANNULUS PRESSURE:

The annulus pressure shall be maintained at zero (0) psi as measured at the wellhead. If this pressure cannot be maintained, the Permittee shall follow the procedures listed under Part II, Section C. 6. of this permit.

MAXIMUM INJECTION VOLUME:

There is no limitation on the number of barrels per day (bbls/day) of water that shall be injected into this well, provided further that in no case shall injection pressure exceed that limit shown in Appendix C.

APPENDIX D

MONITORING AND REPORTING PARAMETERS

This is a listing of the parameters required to be observed, recorded, and reported. Refer to the permit Part II, Section D, for detailed requirements for observing, recording, and reporting these parameters.

OBSERVE MONTHLY AND RECORD AT LEAST ONCE EVERY THIRTY DAYS	
OBSERVE AND RECORD	Injection pressure (psig)
	Annulus pressure(s) (psig)
	Injection rate (bbl/day)
	Fluid volume injected since the well began injecting (bbls)

ANNUALLY	
ANALYZE	Injected fluid total dissolved solids (mg/l)
	Injected fluid specific gravity
	Injected fluid specific conductivity
	Injected fluid pH

ANNUALLY	
REPORT	Each month's maximum and averaged injection pressures (psig)
	Each month's maximum and minimum annulus pressure(s) (psig)
	Each month's injected volume (bbl)
	Fluid volume injected since the well began injecting (bbl)
	Written results of annual injected fluid analysis
	Sources of all fluids injected during the year

In addition to these items, additional Logging and Testing results may be required periodically. For a list of those items and their due dates, please refer to APPENDIX B - LOGGING AND TESTING REQUIREMENTS.

APPENDIX E

PLUGGING AND ABANDONMENT REQUIREMENTS

The well shall be plugged in a manner that isolates the injection zone and prevents the movement of fluid into or between USDWs and in accordance with other applicable Federal, State or local law or regulation. Tubing, packers, and any downhole apparatus shall be removed. Class A, C, G, and H cements, with additives such as accelerators and retarders that control or enhance cement properties, may be used for plugs. However, volume extending additives and gel cements are not approved for plug use. Plug placement shall be verified by tagging. Plugging gel of at least 9.2 lb/gal shall be placed between all plugs. Within sixty (60) days after plugging, the owner or operator shall submit Plugging Record (EPA Form 7520-13) to the Director. The Plugging Record must be certified as accurate and complete by the person responsible for the plugging operation. At a minimum, the following plugs are required:

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PLUG NO. 2: Seal the Mahogany Shale and Trona intervals: Perforate and squeeze a cement plug up the backside of the 5-1/2 inch casing across the Trona Zone and the Mahogany Shale from approximately 2650 to 2800 feet (KB) unless pre-existing backside cement precludes cement-squeezing this interval. Set a minimum 150-foot balanced cement plug inside the 5-1/2 inch casing across the Trona Zone and the Mahogany Shale, approximately 2650 to 2800 feet (KB). Both the cement-squeeze and the plug must extend from a minimum of 50 feet above the top of the Trona-Bird's Nest to a minimum of 50 feet below the base of the Mahogany Shale.

PLUG NO. 3: Seal possible USDWs by isolating the Uinta Formation from the Green River Formation: Perforate and squeeze cement up the backside of the 5-1/2 inch casing from approximately 1225 to 1325 feet (KB) unless pre-existing backside cement precludes cement-squeezing this interval. Set a minimum 100-foot, balanced cement plug inside the 5-1/2 inch casing centered at the contact between the Uinta Formation and the Green River Formation at 1275 feet (KB). Both the cement-squeeze and the plug should extend from a minimum of 50 feet above the contact at 1275 feet (KB) to a minimum of 50 feet below the contact at 1275 feet.

PLUG NO.4: Seal surface casing: Set a Class "G" cement plug within the 5-1/2 inch casing to 552 feet and up the 5-1/2 inch by 8-5/8 inch casings annulus to the surface.

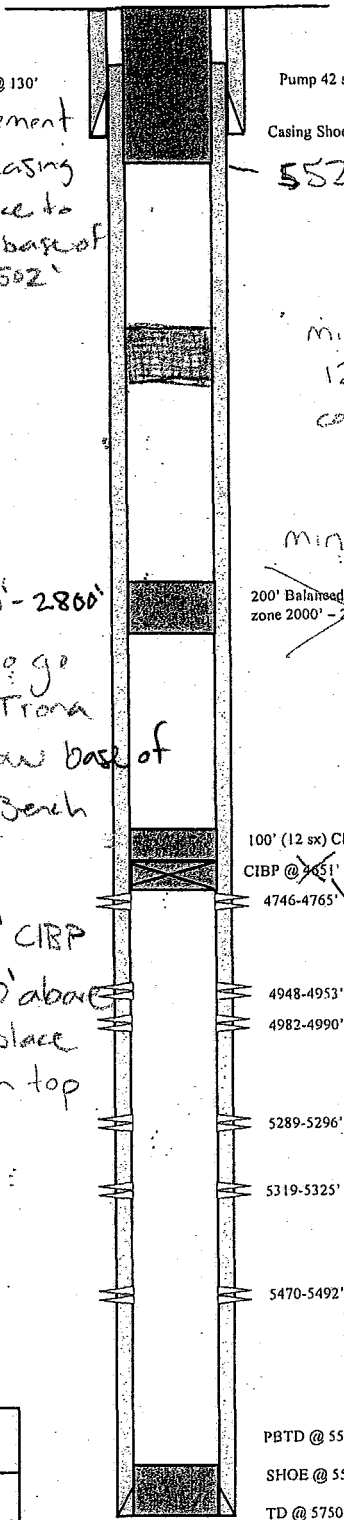
See Schematic Diagram.

~~Attachment~~ E-2

Federal 3-18-9-18

Spud Date: 10-03-05
Put on Production: 11-28-05
GL: 5090' KB: 5102'

Proposed P & A
Wellbore Diagram



SURFACE CASING

CSG SIZE: 8-5/8"
GRADE: J-55
WEIGHT: 24#
LENGTH: 7 jts (303.62')
DEPTH LANDED: 315.47' KB
HOLE SIZE:12-1/4"
CEMENT DATA: 160 sxs Class "G" cmt, est 4.5 bbls cmt to surf.

PRODUCTION CASING

CSG SIZE: 5-1/2"
GRADE: J-55
WEIGHT: 15.5#
LENGTH: 133 jts. (5552.09')
DEPTH LANDED: 5565.34' KB
HOLE SIZE: 7-7/8"
CEMENT DATA: 310 sxs Prem. Lite II mixed & 420 sxs 50/50 POZ.
CEMENT TOP AT: 130'

Plug 4: cement inside of casing from surface to ≥ 50' below base of USDW @ 502'

552' - bottom of surface casing cement plug. Base USDW @ 502' (Pub. 92)

Plug 3:

minimum 100' plug from 1225' to 1325' to isolate contact between Uinta & Grn. River

minimum 150' plug from 2650' - 2800'

Plug 2: 2650' - 2800'
minimum 150ft plug to go ≥ 50' above Trona to ≥ 50' below base of Mahogany Bench @ 2750ft.

100' plug Accepted

No less than 50' above top perf.

Plug 1: Place 5' CIBP no less than 50' above Top perf. and place ≥ 20' cement on top

NEWFIELD
Federal 3-18-9-18
660' FNL & 1980' FWL
NE/NW Section 18-T9S-R18E
Uintah Co, Utah
API #43-047-35581; Lease #UTU-39714

MC 4/9/07

E-2

APPENDIX F

CORRECTIVE ACTION REQUIREMENTS

The Federal No. 4-18-9-18 will be monitored weekly at the surface for evidence of fluid movement out of the injection zone.

In addition, Newfield developed a corrective action monitoring program, effective July 10, 2008, entitled "Procedure related to proposed Class II Enhanced Oil Recovery Injection Wells determined by the EPA to have specific Area of Review (AOR) wells with inadequate cement across the Confining Zone."

If possible fluid movement out of the injection zone is identified, either through the weekly monitoring, through Newfield's July 10, 2008 procedure described above, or through any other means (for example, evidence of fluid flow or increased bradenhead annulus pressure readings, tubing-casing annulus pressure readings, or other evidence of a mechanical integrity failure), the Permittee will shut in the Federal No. 3-18-9-18 immediately and notify the Director. No injection into the Federal No. 3-18-9-18 will be permitted until the Permittee has notified the Director that the situation has been resolved, submitted Rework Records (EPA Form No 7520-12) and a schematic diagram, and received authorization from the Director to re-commence injection.